2.00 P.M.

The House reassembled after lunch at three minutes past two of the clock.

The Vice-Chairman (Shrimati Jayanthi Natarajan) *in the Chair.*

THE VICE - CHAIRMAN (SHRIMATI JAYANTHI NATARAJAN): We shall now take up the Finance Bill.

SHRI V. NARAYANASAMY (Pondicherry): Madam, I will take just half-a-minute. As far as the working journalists are concerned, the Government, the previous Government, agreed to give 20 per cent relief to them, and it was to be implemented. A decision was taken. It was announced by the then Labour Minister. Unfortunately, it was not implemented because pressure was given by the newspaper barons. Now, the present Government has shelved it.

In fact, Madam, the working journalists have been demanding 35 per cent, or, at least, 30 per cent. The Government has been trying to add only something more and give it. Because of the pressure from the newspaper barons, the decision has been shelved. It is not being implemented.

Therefore, I want the hon. Minister to respond and announce that it would be implemented, by increassing it to 30 per cent, at least. Otherwise, it would not be implemented at all. I do not know what the response of the Government is. I want the Government to respond imediately. Today is the last day of the Session, Madam. They have been writing. Articles are appearing. I would appeal to the Government. Let the Government be not under any pressure from the newspaper barons. They should implement it immediately.

THE VOCE-CHARMAN (SHRIMATI JAYANTHI NATARAJAN): We shall now take up the Finance Bill. Shri P. chidambaram to move the Motion for consideration of the Finance (No. 2) Bill, 1996.

THE FINANCE (No. 2) BILL, 1996

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): Madam Vice-Chairman, I beg to move:

> "That the Bill to give effect to the Financial proposals of the Central Government for the financial year 1996-97, as passed by Lok Sabha, be taken into consideration."

Madam, the Bill has been passed by the Lok Sabha after accepting the amendments proposed by me. These amendments were proposed by me after taking into account the opinions expressed by hon. Members of both Houses of Parliament, by trade and industry, by the media, and by the public, in general. I believe I have been pragmatic while striking a balance between the need to raise resources for the State and the impact of the proposals on various sectors of the economy and sections of the people. On the direct taxes side, I have made suitable amendments in the proposals relating to MAT and carry forward of depreciation to remove genuine hardships. I have given encouragement to savings in the infrastructure sector as also incentives to boost the capital market. I have also made the capital gains tax uniform by reducing the rate of tax for partnership firms and association of persons. I have also plugged the loopholes in the provisions relating to sale and lease-back transactions and provisions relating to section 43B of the Income-tax Act.

On the indirect taxes side, I have made proposals relating to further rationalisation of the tax structure as well as strengthening the procedures so as to achieve the twin objectives of helping the honest tax payers to reduce compliance cost and curb evasion of taxes. The Budget proposals have been generally welcomed by one and all.

With these words, I commend the Finance (No. 2) Bill, 1996 to the Council of States and request the Members of this

hon. House to give their wholehearted support to it.

The question was proposed.

SHRI LACHHMAN SINGH (HARYANA): Madam...

THE VICE-CHAIRMAN (SHRIMATI JAYANTHI NATARAJAN): I am going to call the first speaker. Please wait. Shri Rahman Khan.

PROF. VIJAY KUMAR MALHOTRA (Delhi): Madam, won't it start with our party?

THE VICE-CHAIRMAN (SHRIMATI JAYANTHI NATARAJAN): After Mr. Rahman Khan. You are number two. Mr. Rahman Khan is not there. You can speak.

प्रो० विजय कुमार मल्होत्रा: उपसभाध्यक्ष महोदया, आज इस सत्र का अंतिम दिन है। लोकसभा से फाइनेंस बिल पास हो चुका है और मुझे ज्यादा आशा नहीं है कि इसमें कुछ परिवर्तन हो सकेगा लेकिन मैं यह जरूर कहना चाहता हूं कि हमें मंत्री जी के लोकसभा के भाषण से और जो उन्होंने अन्य अवसरों पर अपने विचार व्यक्त किए हैं, उनसे बहुत निराशा हुई है। महोदया, मिडिल-क्लास और लोअर मिडिल-क्लास के जो सरकारी कर्मचारी हैं, इनके साथ बहुत बड़ा अन्याय हुआ है। हम समझते थे कि मंत्री जी अर्थव्यवस्था को अच्छी तरह से समझते हैं, वे इन लोगों को कुछ रिलीफ अवश्य देंगे। लेकिन उन्होंने लोकसभा में भाषण देते हुए यह बात कही कि वे कोई रिलीफ नहीं दे सकते और जो मिनिमम लिमिट है, उसको नहीं बढ़ा सकते क्योंकि इससे 300 करोड़ रुपए का फर्क पड़ जाएगा और ऐसा करने से सबको यह छूट मिल जाएगी।

महोदया, मंत्री जी ने सिर्फ 40,000 रुपए से 60,000 रुपए के बीच का जो स्लैब है, उसमें इनकम टैक्स रेट 20 प्रतिशत से घटाकर 15 प्रतिशत किया है। इसका मतलब यह है कि कुल मिलाकर इनकम टैक्स में एक हजार रुपए की छूट दी गई है। कोई बड़ी राहत इससे मिलने वाली नहीं है। यह बिल्कुल बेमानी है। मैं मंत्री जी से निवेदन करना चाहता हूं कि आपका जो मूल मुद्दा था कि ब्लैक-मनी जनरेट न हो, उसको रोकने का एक ही तरीका था कि करों का बोझ कुछ कम किया जाए, इतना किया जाए कि लोग आसानी से कर दे सकें और जो ईमानदार टैक्स-पेयर है, उसके ऊपर अनावश्यक बोझ न पड़े और जो बेईमान लोग हैं, जो टैक्स नहीं देते हैं, उनको भी इनकम टैक्स नैट में लाया जा सके। अगर आप इस बात को स्वीकार करते और सरकार इन स्लैब्स में परिवर्तन करती तो निश्चित रूप से काफी फायदा हो सकता था। मैं जानता हूं कि इस समय एक करोड़ दो लाख लोग इनकम टैक्स देते हैं। अगर इसका रेट कम कर दिया जाए तो निश्चित रूप से कम से कम 5 करोड़ लोग इनकम-टैक्स पेयर्स बन सकते हैं और अगर इन लोगों पर मिनिमम टैक्स भी लगता तो भी वह रकम कहीं ज्यादा होती, अब के मुकाबले 4-5 गुना ज्यादा होती। वैसे तो अब बहुत देर हो चुकी है लेकिन फिर भी अगर आप चाहें तो इसमें परिवर्तन करके लोकसभा में वापस जाकर इसको मनवा सकते हैं। मेरा सुझाव है कि 50,000 तक आयकर में छूट दी जानी चाहिए। 40,000 तक यह बेमानी है इसलिए कम से कम इसको 50,000 किया जाए। 50,000 से 75,000 का जो आयकर है इसकी शुरूआत हमें 10 प्रतिशत से करनी चाहिए। एकदम से 15 प्रतिशत और 20 प्रतिशत के बजाय 10 प्रतिशत इसको किया जाए। 75,000 से डेढ़ लाख तक 15 प्रतिशत, डेढ़ लाख से तीन लाख तक 20 प्रतिशत और तीन लाख से पांच लाख तक 25 प्रतिशत और इसके ऊपर मैक्सिमम लिमिट 30 प्रतिशत करनी चाहिए।

...(Time bell rings)

The time is four hours. I have to speak for 20 minutes.

THE VICE-CHAIRMAN (SHRIMATI JAYANTHI NATARAJAN): No. It is only one hour.

PROF. VIJAY KUMAR MALHOTRA: No, it is not one hour.

THE VICE-CHAIRMAN (SHRIMATI JAYANTHI NATARAJAN): It is only one hour. *(Interruptions)* The time allotted is one hour...*(Interruptions)*

PROF. VIJAY KUMAR MALHOTRA: The Business Advisory committee fixed four hours.

THE VICE-CHAIRMAN (SHRIMATI JAYANTHI NATARAJAN): Later on it was agreed...

PROF. VIJAY KUMAR MALHOTRA: I was told that our party will have 45 minutes.

THE VICE-CHAIRMAN (SHRIMATI JAYANTHI NATARAJAN): Your party has eleven minutes, and there are three speakers.

PROF. VIJAY KUMAR MALHOTRA: Who decided it?

THE VICE-CHAIRMAN (SHRIMATI JAYANTHI NATARAJAN): This was decided in the morning.

SHRI P. CHIDAMBARAM: Prof. Malhotra, please understand that this morning it was decided that the Private Members' Business would be postponed.

PROF. VIJAY KUMAR MALHOTRA: But it was not decided that the time allotted would be only one hour.

SHRI P. CHIDAMBARAM: Kindly listen to me. Kindly let me complete.

PROF. VIJAY KUMAR MALHOTRA: It was decided that the Finance Bill would be taken up, that after that the U.P. Bill would be taken up and that after that the Private Members' Business would be taken up. You cannot rush the Finance Bill this way.

SHRI P. CHIDAMBARAM: Let me complete, Malhotraji. You are a very senior Member.

Three options were given by the Chairman. The option that all the Members accepted was...

PROF. VIJAY KUMAR MALHOTRA: I was there.

SHRI P. CHIDAMBARAM: ...that they would not give up the Private Members' Business and that it would only be postponed for some time. Therefore, now we have to pass the Finance Bill and return it to the Lok Sabha. We have to return the U.P. Budget to the Lok Sabha. After that there will be Special Mentions. After that the Private Members' Business will be taken up. Private Members' Business is normally taken up here at 2-30 p.m. From 2-30 p.m. it has been postponed to 4-00 p.m. or 4-30 p.m.

PROF. VIJAY KUMAR MALHOTRA: Mr. Chidambaram, I was there. I was sitting here. Our party was a party to that decision...*(Interruptions)*

THE VICE-CHAIRMAN (SHRIMATI JAYANTHI NATARAJAN): Now you need not spend time on this. ...*(Interruptions)*

PROF. VIJAY KUMAR MALHOTRA: If not four hours, give two hours. ...*(Interruptions)*...

THE VICE-CHAIRMAN (SHRIMATI JAYANTHI NATARAJAN): We cannot.

PROF. VIJAY KUMAR MALHOTRA: I just started speaking, and you rang the bell. I spoke only for one minute, and there was the time-bell.

THE VICE-CHAIRMAN (SHRIMATI JAYANTHI NATARAJAN): Prof. Malhotra, you spoke for four minutes. ...*(Interruptions)*

PROF. VIJAY KUMAR MALHOTRA: Is this the way of passing a Finance Bill? ...*(Interruptions)*

THE VICE-CHAIRMAN (SHRIMATI JAYANTHI NATARAJAN): It is not for me. You have to ask the Chair... *(Interruptions)*

Please don't argue with the Chair. Please get on with your speech. Please try and conclude within two minutes.

PROF. VIJAY KUMAR MALHOTRA: I will do so.

उपसभाध्यक्ष महोदया, मुझे यह कहना है कि सभी टैक्सेज को मिला कर चाहे वह प्रॉपर्टी टैक्स हो या दूसरे टैक्स हों, यह चालीस परसेंट से ज्यादा नहीं होना चाहिए। मैं यह भी जानना चाहता हूं कि गिफ्ट टैक्स सिर्फ दस हज़ार करोड़ रुपए है और जो टोटल टैक्स है, वे एक लाख बत्तीस हज़ार करोड़ है। तो दस हजार करोड़ रुपए तो उसका .00001 परसेंट भी नहीं है। वह तो इनकम टैक्स पे करने के बाद जो पैसा बचता है उसमें से गिफ्ट देता है इसलिए गिफ्ट टैक्स को रखने के कोई मायने नहीं है। इस दस हजार करोड़ की रकम

से कहीं ज्यादा उसे चालीस-पचास हज़ार करोड़ इकट्ठा करने में लग जाते हैं। साथ ही यह सिर्फ भ्रष्टाचार की बात है इसलिए इसको टोटली एबॉलिस कर देना चाहिए। सरचार्ज ऑन कारपोरेट टैक्स को भी पूरी तरह से एबॉलिस करना चाहिए। सर्विस क्लास के बारे में मेरा यह कहना है कि नौकरीपेशा लोगों के लिए चिदम्बरम साहब ने यह बात कही है कि उनका स्टैंडर्ड डिडक्शन 18,000 से ज्यादा नहीं बढ़ाया जाएगा। कम से कम इसको 25,000 तो करना चाहिए और 60,000 रुपए की लिमिट को भी खत्म करना चाहिए। अभी फाइनेंस कमीशन आ रहा है और इसमें एक साधारण कर्मचारी की तनख्वाह भी अस्सी-नब्बे हज़ार तक पहुंचेगी, एक लाख तक पहुंचेगी इसलिए इसको केवल 60,000 तक करना ठीक नहीं है। इस 60,000 की लिमिट को हटा देना चाहिए और 25,000 रुपए मिनिमम स्टैंडर्ड डिडक्शन करना चाहिए।

फिर मैं यह कहना चाहता हूं कि आयकर और निगम कर का जो एमाउंट आउटस्टैंडिंग है वह उतना ही है जितना कि टोटल इनकम टैक्स है। उनतीस हजार करोड़ रुपए इसमें आउटस्टैंडिंग है और उनतीस हज़ार करोड़ रुपए का आयकर है। तो इन उनतीस हज़ार करोड़ रुपयों को वसूल करने के लिए आप कोई कदम नहीं उठा रहे हैं और ज़ो कदम उठाए भी जा रहे हैं, वे इतने बेमानी हैं कि यह हर साल बढ़ता जा रहा है क्योंकि बड़े-बड़े लोग जिनको दस करोड़, बीस करोड़, पचास करोड़ रुपए इनकम टैक्स के देने हैं, डिपार्टमैंट उनके ऊपर हाथ डालते हुए हिचकिचाता है। जो 1994-95 में 38 हजार 385 करोड़ रुपये था। आपने कहा कि वह ब्लैक लिस्ट इसलिए नहीं करते क्योंकि इससे कठिनाई पैदा होगी। इम्प्लॉइज़ का क्या होगा? आप उनको ब्लैक लिस्ट नहीं करते बल्कि उनसे ब्लैक मेल हो रहे हैं। उनकी ब्लैक मेलिंग की वजह से आपने जो 38-39 करोड़ रुपये उनसे वसूल करने हैं, वह रिकवर नहीं कर रहे हैं बल्कि उनको और लोन दे रहे हैं। वही लोग आपसे दुबारा लोन ले रहे हैं। इस तरह से आप उनको फैसेलिटी दे रहे हैं। उस रुपये को सख्ती से आपको रिकवर करना चाहिए और उनको लोन नहीं दिया जाए। इसके अतिरिक्त मैं यह भी कहना चाहता हूं कि यहां पर बहुत से डिपार्टमेंट ऐसे हैं, जिनको आपने बहुत कम पैसा दिया है। आपने कहा है कि हम अपनी न्यूक्लियर ऑप्शन ओपन रखेंगे। मेरी यह जोरदार मांग है कि आप बजट में प्रोविज़न करके न्यूक्लियर ऑप्शन ओपन रखने की बजाय, लैट अस बी ए नयूक्लियर पॉवर और जो पांच पॉवर्स हैं, उसमें छठी पॉवर हमको बनना चाहिए। अगर हम न्यूक्लियर ऑप्शन ओपन रखेंगे तो इससे बहुत नुकसान हो रहा है, जो फायदा हमको मिलना चाहिए था, वह नहीं मिल रहा है। तो इसका प्रोविज़न इसके अंदर किया जाना चाहिए। इसके अतिरिक्त आपने फैमिली प्लानिंग के लिए बजट में रुपया कम कर दिया है। मुझे इस बात से बहुत हैरानी हुई है कि फैमिली प्लानिंग के लिए आपने 1581 करोड़ से घटाकर 1535 करोड़ रुपये बजट में कर दिये हैं। आज जब देश की जनसंख्या तेजी से बढ़ रही है तो उसको रोकने के लिए आपको जोर-शोर से प्रयास करना चाहिए, उसको ध्यान में रखना चाहिए, बजाय इसके आपने फैमिली प्लानिंग के लिए ५० करोड़ रुपये कम कर दिये। आपने कहा कि ऐग्रीकल्चर सैक्टर पर हमारे प्रधान मंत्री महोदय बहुत जोर दे रहे हैं किन्तु ऐग्रीकल्चर सैक्टर में भी आपने 3,022 करोड़ रुपये से घटाकर 2,831 करोड़ रुपये कर दिये। इससे ज्यादा बेमानी बात और क्या हो सकती है कि 10 परसेंट जो इन्क्रीज़ करना चाहिए था वह 10 परसेंट भी इन्क्रीज़ नहीं किया। आपने बाकी सैक्टर्स में तो इन्क्रीज़ किया है किन्तु ऐग्रीकल्चर में रिड्यूस कर दिया है, फैमिली वैलफेयर में रिड्यूस कर दिया है, स्पोर्टस में रिड्यूस कर दिया है। इसके अतिरिक्त आयुर्वेद के लिए आपने केवल 23 करोड़ रुपये रखे हैं, जब कि ऐलोपैथी के लिए आपने 647 करोड़ रुपये से बढ़ाकर 792 करोड़ रुपये का प्रावधान किया है किन्तु आयुर्वेद के लिए 23 करोड़ से एक पैसा भी नहीं बढ़ाया गया है। आपने इसके लिए अलग डिपार्टमेंट खोल दिया है किन्तु पैसा नहीं बढ़ाया है। आज दुनिया भर में आयुर्वेद के लिए काम हो रहा है, उसके लिए बजट में अधिक धन का प्रावधान किया जा रहा है, ऐसे में आयुर्वेद के लिए पैसा न बढ़ाकर आप उसे डिस्ट्रॉय करने में लगे हुए हैं। इसके लिए अधिक धन का प्रावधान किया जाना चाहिए लेकिन आपने ऐलोपैथी के मुकाबले एक परसेंट पैसा भी इसके लिए नहीं रखा है। इसकी मैं निन्दा करना चाहता हूं।

एक आखिरी बात मैं नेशनल इंटीग्रेशन के संबंध में कहना चाहता हूं। नेशनल इंटीग्रेशन के लिए इस बजट में—आज जब कि देश में जातिवाद फैल रहा है, देश के अंदर सांप्रदायिकता बढ़ रही है, भाषावाद के झगड़े हो रहे हैं, जब कि नेशनल इंटीग्रेशन हमारा मेन मुद्दा होना चाहिए था—उसके लिए आपने केवल 2 करोड़ 30 लाख रुपये रखे हैं। उसको भी आपने कम कर दिया है। उसको आपने ढाई करोड़ से कम करके इस साल 2 करोड़ 30 लाख कर दिया है। आज जब कि हमारा 2 लाख करोड़ का बजट है, उसमें से यदि हम केवल 2 करोड़ 30 लाख रुपये नेशनल इंटीग्रेशन के लिए रखें तो मैं समझता हूं कि इस तरह की बात करना [illegible]

गलत है और इस तरफ ध्यान दिया जाना चाहिए। एक और बात मैं स्टैंडिंग कमेटीज़ के संबंध में कहना चाहता हूं। उपसभाध्यक्ष महोदया, जो स्टैंडिंग कमेटीज़ बनायी गयी हैं, उन सभी स्टैंडिंग कमेटीज़ की रिपोर्ट को मैंने देखा है। मैं पूछना चाहता हूं कि क्या स्टैंडिंग कमेटीज़ बिल्कुल बेमानी है। हर स्टैंडिंग कमेटी ने कहा है कि हमारा रुपया बढ़ा दो, हर कमेटी ने कहा कि यह बिल्कुल गलत हो रहा है, फाइनेंस मिनिस्टर ने बहुत ज्यादती की है। डिफैंस वाले कह रहे हैं, दूसरी कमेटी वाले कह रहे हैं। एक भी ऐसी स्टैंडिंग कमेटी नहीं है जिसकी रिकमेंडेशंस को आपने माना हो तो इससे क्या फायदा? एक महीने तक स्टैंडिंग कमेटी की मीटिंग्स हुईं, उस पर करोड़ों रुपया खर्च हो गया परन्तु उसकी एक भी रिकमेंडेशन को न माना जाए तो स्टैंडिंग कमेटीज़ बनाने से कोई लाभ होने वाला नहीं है। स्टैंडिंग कमेटीज़ की रिकमेंडेशंस में से अगर आप दो, तीन या चार परसेंट भी मान लेते तो मैं समझता हूं कि ठीक प्रकार से उनका लाभ हो सकता था। मैं फिर आपसे अपील करना चाहता हूं कि अगर इस सत्र में भी आप इसको स्वीकार कर सकें तो बेहतर होगा, नहीं तो आपका पहला बजट बहुत निराशाजनक बजट होगा। यही मैं आपके माध्यम से मंत्री जी से कहना चाहता हूं। धन्यवाद।

SHRI V. NARAYANASAMY (Pondicherry): Madam, I thank you for giving me this opportunity to participate in the discussion on the Finance Bill, 1996.

I would like to bring three or four very relevant points to the notice of the hon. Minister. The Government has allocated about Rs. 16,000 crores towards the Anti-Poverty Programme in this Five-Year Plan. We find that Rs. 30,000 crores were allocated in the Eighth Five-Year Plan. Now Rs. 60,000 crores has been allocated to keep the pace and to provide employment to the rural people and to provide housing facilities for the rural people. This Rs. 60,000 crores is not going to satisfy the demand that is being made by the people. Their demand has been increasing. On the other hand, the allocation is only two-fold. Earlier it was Rs. 30,000 crores. Now, it has been increased to Rs. 60,000 crores. Unless and until the Government increases the allocation for rural development to Rs. 90,000 crores it would not be possible for the Government to meet the existing demand and bring the people above the poverty line. I want the hon. Minister to respond to this point. Once the schemes are implemented and once the people start getting the benefit if it is not up to the expectation or up to the level that is being agreed to, it would be difficult to achieve the target. My worry is that we would not be able to achieve the target just by increasing it two-fold. We are happy about it. We are grateful to the Government about it. But it is not going to solve the problem. They would not be able to achieve the target. In order to achieve the target it should be made three-fold. By the year 2000 we can achieve the target which has been envisaged in the Plan document. I want to know from the hon. Minister whether he is going to increase it. This Government has given stress on the Common Minimum Programme. We agree with that. It has to be implemented. The CMP has given thrust to the rural people, the agriculturists and people living below the poverty line and providing employment opportunities to them providing drinking water construction of roads and houses. May I know from the hon. Minister with Rs. 60,000 crores allocation in the Ninth Plan how is he going to achieve the target?

There is a widespread criticism in the press and outside regarding allocation of budget for Defence. the Defence allocation has not been increased when compared to last year. There is a resentment among the Defence officials. Our neighbouring country, Pakistan has increased its Defence allocation by more than 20 per cent when compared to this year. Unfortunately, we are not able to increase it even up to Rs. 4,000 or Rs. 5,000 crores which has been demanded by the Defence Ministry. Now we are facing a serious threat from our neighbour. We have been observing them day in and day out they are acquiring sophisticated weapons from the U.S.A. China and other countries. Unless and until our Defence allocation is increased it would

not be possible for us to fully equip ourselves to meet the challenges posed by Pakistan and other neighbouring countries. Therefore I would like to know from the hon. Minister whether he is going to increase the budget allocation for Defence which has been kept at the level of the last year.

My senior hon. colleague Prof. Malhotra has mentioned that the budget allocation for family planning programme is very less. ..*(Time-bell)*. I will conclude with two points. I will not take more time. I am in full agreement with him. The funds which have been allocated are less when compared to last year. This Government's policy is to implement the family planning programme. Unfortunately the budget allocation is less. I do not know how they would be able to implement it. I want the hon. Minister to answer this point.

There are a lot of hopes and aspirations from Government servants that the exemption limit for income-tax would be increased. The hon. Minister did a little jugglery. He did not satisfy the Government servants. I want the hon. Minister to announce here that up to the level of Rs. 60,000 or Rs. 65,000 he is going to consider or raise the ceiling for the purpose of income tax.

Madam, a big problem that is being faced in our country is black money. The hon. Minister says, inside and outside Parliament, that he is taking stringent steps to unearth black money. I welcome his statement. But, unfortunately, nothing has happened except the statement. I want the hon. Minister to take appropriate action. I want the hon. Minister to tell this august House what action he proposes to take. Successive Governments have tried. I do not know whether the hon. Minister is going to achieve it or not.

This Government is saying that it is for the poor farmers, agriculturists, the poorest of the poor among farmers. But, unfortunately, the allocation for agriculture is less when compared to the figures of last year. But one good thing they did was, they allotted Rs. 1000 crores for augmenting water supply by construction of dams and other things. *(Interruptions)*. Yes, Rs. 900-1000 crores. When the hon. Minister spoke, I was in the House and this is what he said. It is about Rs. 1000 crores. But water supply is not the only problem to be solved. The farmers are facing a lot of problems. When the Government says, whe.. the CMP says—which the hon. Minister repeats every time—that this Government is for the farmers, why has the allocation for agriculture been reduced? We say that rural employment should be created and rural industries have come up. I want the hon. Minister to tell us how he is going to improve agrobased industries. Unless and until you give thrust to agriculture, it is not possible.

There are some points I wanted to make. I am not going to take more time of the Minister and the House. I hope the hon. Minister will dwell upon these points, especially on the points of anti-poverty programme, lesser allocation being made for defence and family welfare and on the points of income-tax and black money. Thank you.

SHRI PREM CHAND GUPTA (Bihar): Madam Chairperson, thank you for giving me this opportunity to speak on this subject today.

Madam, within the limited means available at the disposal of the Finance Minister, he has presented a very innovative and balanced Budget. But I want to draw the attention of the House and, particularly of the hon. Minister, to a genuine problem being faced by the manufacturer-exporters. Madam, for a sound economy, creation of infrastructure and export are two very important factors. We have targetted a 20 per cent export growth in dollar terms and a 100 billion dollar export by the year 2002. Exports are not built up overnight. It takes time. One has to build up exports. In our country, we have cheap labour. That is

why it is presumed that we should be doing more and more exports. But there are a lot of practical problems also. For example, the airfreight expense from Singapore to New York is one dollar 20 per cents kilogram whereas from India, it is three dollars. And even then we are unable to export because there is no booking available with air-carriers. There are a lot of problems like this. Manufacturer-exporters have to face competition from international manufacturers on various accounts. We do have certain export incentives like the section 80 HHC and the related tax incentives. But these tax incentives do not take care of all the direct or indirect State levies and other hidden expenses. The hon. Minister has been a Commerce Minister himself and he can appreciate better than anybody else the genuine problems faced by the exporters. I would submit for his consideration that at least those manufacturer-exporters who are exporting in terms of production and value more than 70 per cent of their production may be considered for exemption from the MAT.

I know this is not an opportune time to say all these things because today is the last day of the present Session. But I would submit to the hon. Finance Minister to find a way out and do something about this. Thank you.

श्री रामदास अग्रवाल (राजस्थान): उपसभाध्यक्ष महोदया, बजट के ऊपर चार-पांच मिनट बोलना कितना कठिन है यह आप जानती है। लेकिन फिर भी मैं वित्त मंत्री महोदय से कोई लंबी-चौड़ी बात न करके सीधे बात करना चाहता हूं। पहली बात जो है वह यह है कि आपने लाइनर एक्सलरेटर पर, जो कि कैंसर पेशेंट्स के उपयोग में आता है, उस पर 10 परसेंट कस्टम ड्यूटी लगाई है। महोदया, यह पहले नहीं था। यह आपके राज की उपलब्धि है। कैंसर पेशेंट वैसे ही बहुत अधिक पीड़ित हुआ करते हैं और उन पर अगर आप ड्यूटी नहीं लगायेंगे तो भारतवर्ष के बजट पर इसका कोई विशेष प्रभाव नहीं पड़ेगा। इसलिए मैं आपसे अनुरोध करूंगा कि कैंसर पेशेंट्स के लाभ के लिए इस ड्यूटी को — कम से कम राज्य सभा में आप घोषित कर दें, लोक सभा में तो घोषणा करते रहते ही है, तो राज्य सभा में कम से कम इतना उदारता आप दिखा सकते हैं, ऐसा मेरा आपसे अनुरोध है।

दूसरी बात, मैं सड़कों के बारे में केवल दो-चार शब्दों से कहना चाहता हूं। ट्रैफिक बढ़ता जा रहा है और सड़कों पर तंगी होती जा रही है। एक्सीडेंट्स बढ़ रहे हैं, लोग मर रहे हैं। सड़कों को चौड़ा करने के लिए जो व्यवस्थायें होनी चाहिए, फोर-वे लेन बननी चाहिए, वह नहीं हो पाया है। जयपुर से दिल्ली के बीच में कितनी ही बार ट्रैफिक जाम होता है। अजमेर से जयपुर के बीच में कितने ही एक्सीडेंट नेशनल हाई-वे पर होते हैं। लेकिन इतने वर्षों से अभी तक कुछ नहीं किया गया। जयपुर से दिल्ली फोर-वे नेशनल हाई-वे अभी तक नहीं बन पाई है और अजमेर से जयपुर के बारे में कोई चर्चा ही नहीं है। बड़ी अजीब स्थिति हो रही है। महीने भर के अंदर ही 100-50 आदमी एक्सीडेंट में मर जाते हैं, ट्रक से टक्कर खाते हैं। तो ऐसे सारे रूट्स पर, जो नेशनल हाई-वे हैं, जहां पर इसकी आवश्यकता है, आप प्राइवेटाइजेशन के माध्यम से, सरकार के बजट के माध्यम से या अन्य किसी माध्यम से इन चीजों के विकास पर ध्यान दें क्योंकि इसमें मानवीय दृष्टिकोण है। इससे ट्रांसपोर्ट व्यवस्था भी मजबूत होगी। यह तो होगा ही लेकिन ट्रांसपोर्ट व्यवस्था के अलावा इसमें मानवीय पक्ष भी है। लोग मरते हैं और केवल एक्सीडेंट के कारण मरते हैं। ऐसा करके कम से कम उनको बचाया जा सकता है। इससे उनकी आत्माओं को शांति मिलेगी जो ऐसे हादसों में मरे हैं। इसलिए मेरा अनुरोध है कि आप कुछ अधिक धन सड़कों के विकास के लिए दें।

दूसरा, आप गरीबों की बहुत बात करते हैं। गरीबों के लिए हर वित्त मंत्री बात करता है। ऐसा कोई वित्त मंत्री मैंने इस सदन में नहीं देखा जिसने गरीबों को याद न किया हो। हर एक वित्त मंत्री बड़ी नम्रता से, विनम्रता से और विनीत भाव से गरीबों को याद करता है। लेकिन बेचारा गरीब जो है...(**व्यवधान**)... मैं उससे थोड़ा आगे बढ़ना चाहता हूं। मनमोहन सिंह जी यहां जब बोलने के लिए खड़े होते थे तो उनका चेहरा देखकर मेरा मन, उनकी विनम्रता को देखकर मेरा मन बड़ा प्रसन्न होता था। आपको देखकर भी कोई अप्रसन्नता नहीं होती। आपका चेहरा भी उतना ही मुलायम है। लेकिन सवाल यह है कि आपने गरीबों के लिए क्या किया है? ...**व्यवधान**... मेरा कहने का मतलब यह है कि गरीबों को याद करने के साथ साथ उन गरीबों के लिए कुछ करने के मामले में ...(**समय की घंटी**)... ऐसा करके

आप मेरे ऊपर अन्याय कर रही हैं। आपकी अध्यक्षता में मैं पहली बार बोलने के लिए खड़ा हुआ हूं।

महोदया, गरीबों के लिए जब आप विचार करते हैं, बोलते हैं तो वह अलग होता है और जब करते हैं तो वह अलग होता है। आज देश का दुर्भाग्य है कि पीने का पानी रेगिस्तानी इलाकों में नहीं मिल पाता। मैं मानता हूं कि यह राज्य सरकार की जिम्मेदारी है, ऐसा नहीं कि यह केंद्र सरकार की जिम्मेदारी है, लेकिन आखिर हम लोगों को पीने का पानी भी उपलब्ध नहीं करा पाए। उनके रहने के लिए ठीक से मकान उपलब्ध नहीं करा पाए, झोपड़ियां उपलब्ध नहीं करा पाए। आखिर इन बजट भाषणों से लाखों-करोड़ों रुपये खर्च करने की बात कहने का मतलब क्या है?

गरीब के लिए केवल भाषण है। गरीब को जब तक रोटी न मिले तब तक संसद् में दिये गये भाषण का कोई अर्थ नहीं है। इसलिए मैं निवेदन करना चाहता हूं कि संकल्प तो हर बार किया जाता है लेकिन इस संकल्प के साथ उसको कार्यरूप में परिणत करने के लिए भी आप संकल्प व्यक्त करें कि इस देश के बजट में गरीबों को गरीबी रेखा से ऊपर उठाने के लिए यह सरकार कुछ करेगी। इस सरकार में सभी दलों के लोग हैं, चाहे जिस दल के हों सारे मिल कर के काम करना चाहते हैं, वे लोग तो कम से कम गरीबों का हित जरूर सोच सकते हैं। ऐसी अपेक्षा देश के लोग कर सकते हैं। महोदया, मैं इतना ही निवेदन करना चाहता हूं। जो आपने मुझे पांच-सात मिनट समय दिया, इसके लिए बहुत बहुत धन्यवाद।

SHRI M.A. BABY (Kerala): Thank you, Madam, for permitting me to speak on the Finance Bill (No. 2). Just now I have heard my very respected colleague, Ramdas Agarwalji, mentioning about the ritualistic speeches—that is according to him, and partially I do agree with him—that we make here is this august House, expressing our concern for the poor, but the disappointment is that nothing much happens, so far as the problems of the poorer and the marginalised sections are concerned. Here, Madam, I would have attracted your attention towards a larger debate on this—and a discussion of the Finance Bill still gives scope for such a debate—but while strictly referring to the provisions of the Finance Bill, and considering the paucity of time, I cannot do that. Still I would like to mention that according to my party, one of the basic reasons for the sad plight of the marginalised, the dispossessed and the poorer sections in our country is the lack of concrete, tangible steps that should have been taken by the power, that-it-be, at different levels, at different points; that were not being taken. But now I have a moral duty to state what the Left forces, when we had the opportunity, in a limited scale did in the Provinces, and what we are doing in three Provinces. I do not want to dilate much upon this topic, but to bring into sharp focus what concrete steps we have taken, I would like to mention here about the land reforms. I am sorry to state that the necessary and the required focus was not done in the Budget Speech on this vital issue, on this viyal aspect which should form part of any long-term perspective planning in any country and we cannot claim that, so far as the land reforms are concerned, sufficient good has already been done in our country, but with humility and pride I would like to submit that the most significant measures, so far as the land reforms are concerned, in the history of independent India have been initiated by the Left Front Governments of Kerala, West Bengal and Tripura. I do not say that the other Governments did not do. In Andhra Pradesh some steps have been taken, in Karnataka some steps have been taken, in various other States various steps have been taken, but sufficiently bold, significant and meaningful steps have not been taken. ...*(Interruptions)*... We shall discuss those details separately.

But it is for the entire people to see, it is even for the people coming from outside to see, as to how this has been achieved. Madam, while beginning with the land reforms, I want to mention that there are various steps which could have been taken. ...*(Interruptions)*... I know that the time is running out, and, therefore, after having made this observations, I would like to simply come to some of

the proposals which the hon. Finance Minister has made.

Madam, there is a proposal with regard to raising the overall exemption ceiling under section 80L of the Income-Tax Act. It is being raised from Rs. 13,000 to Rs. 15,000. A proviso is being made there that out of this Rs. 15,000, only Rs. 3,000 can be income from returns on mutual funds, UTI and things like that. Maybe, the Finance Minister is nodding his head in disapproval. I would like to be enlightened on that. As I have understood it, and I have some discussion with some of my friends also...*(Interruptions)*...

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): It is the minimum, not the maximum. It is a substratum of Rs. 3,000.

SHRI M.A. BABY: If it is minimum 5%, I don't have any problem with that.

Madam, in his Budget Speech a proposal has been mooted about setting up of new private local area banks with jurisdiction over two or three contiguous districts. We know that there are basically three types of financial institutions catering to the needs of the villagers, especially peasants. They are co-operative banks, rural banks and branches of the nationalised banks. I don't say that these three types of financial institutions are fully taking care of the interests of the peasants. But if these new private local area banks come into the scene, I am afraid we would be bringing back the old type of greedy money-lenders in a more respectable grab. This will totally destabilise the functioning of the co-operative societies, rural banks and branches of the nationalised banks. So this should be seriously examined and this should not be implemented in a hasty manner.

Madam, there are various problems faced by certain districts of Kerala. The Minister knows that we have made a representation about the reduction of import duty of caprolactum. I would like to mention only that particular point. Similarly, there is another issue in relation to the Customs Duty. Hindustan Paper Corporation is being affected by the Customs Duty proposals made by the Finance Minister. The present Finance Minister in a different incarnation as the Commerce Minister in the previous Government had given us an assurance in the Lok Sabha. When the 2:1 formula was removed and the open general licence was introduced, so far as the import of newsprint was concerned, the then Commerce Minister had given an assurance on the floor of the Lok Sabha that in case the indigenous newsprint factories face any difficulty due to this, it would be reviewed. I would like to request the present Finance Minister to take note of the assurance given by the then Commerce Minister on the floor of the Lok Sabha.

THE VICE-CHAIRMAN (SHRIMATI JAYANTHI NATARAJAN): You will have to conclude now.

SHRI M.A. BABY: I am concluding, Madam. Finally, there is a proposal to develop an institution to specially take care of the high-technology organisations and units in the agricultural sector. This will, in fact, take away the money now being given under the various NABARD schemes. The proposal is, if I recollect correctly, to set up or develop a new financial institution by taking away some money which is now being handled by the NABARD to finance the units coming up in the sector of horticulture, floriculture and so on. If this proposal is going to be implemented, this will adversely affect the existing schemes. I am afraid that the money which is now given to the ordinary peasants in the villages would be diverted to rich agro-based industrial sector, which is again an elite affair. This should also be taken note of by the Minister. When he actually makes the proposals the interests of the poor peasants should be sufficiently protected. Thank you very much, Madam, for the indulgence shown to me.

SHRI SURINDER KUMAR SINGLA (Punjab): I would like to commend the hon. Finance Minister for one particular reason, *i.e.* he has been standing absolutely firm to keep the country's commitment to economic reform policy, that too, in the background of occasional threats that he gets sometimes weekly and sometimes monthly from his own partners in the Government. It is happening in spite of their commitment to the CMP which they accepted. I do not really understand why these occasional threats are there. I don't know whether they have really a design to share power or, as is the usual practice of communists, to wreck the Government from within.

I don't know. I am not aware of it. Here I would like to remind the house one thing which I reminded earlier also. So far as previous Lok Sabha elections were concerned, there was a loud and clear message of accepting the new economic reform policy. I did illustrate particularly the West Bengal election results. Despite the massive campaign against the new economic reform policy, the mandate in West Bengal was the initiator of the new economic policy doubled its strength in the State Assembly as well as in Parliament. So let them not say that it was a public disapproval of the new economic reform policy. But why I am worried is the hands of the Finance Minister are really tied to move faster in that direction. The whole dream of India becoming a great nation and economically powerful nation may be hampered by his partners in the Government. I am going to touch only two or three points because the time is short.

First of all, I would like to talk about direct taxation. I am happy to say that the hon. Finance Minister has made an announcement that a Committee would be appointed to look into the whole structure of direct taxation. He has also promised that he would rationalise the structure of taxation laws. I would like to remind him his old theme 'less Government, better governance'. He is quite famous for saying so. I would take up only three or four points regarding direct taxation for him to apply his mind. There is a territorial taxation policy giving a tax holiday to hilly areas. I want to quote its bad consequences on the economy of the State of Punjab from where I come. Mr. Finance Minister, what has this policy produced? Punjab is producing 20 per cent cotton.

The textile industry is shifting from Punjab to Himachal Pradesh. The industry is moving because industrialists want to enjoy the benefits of tax holiday. This is disturbing. Punjab is naturally endowed with cotton. Hence, the textile industry was mainly concentrated in Punjab. Now the entire industry is shifting to Himachal Pradesh. But Himachal is not endowed with cotton. One could understand if its natural resources like horticulture was given some concession. This policy needs to be reviewed. You have to really see whether this territorial tax holiday policy that you have adopted is beneficial. Similar is the case with the iron and steel industry. The iron and steel units from Punjab, particularly from Ludhiana, are moving to Himachal. The mother of engineering industry is the small scale sector. This is shifting to Himachal Pradesh because of tax concessions and the availability of cheap power. The Ministry of Finance needs to see whether this policy is in tune with the balanced economic growth that we wish to have. In fact, we should help in the exploitation of the natural resources that are available in a particular region. That should be the underlying philosophy of any economic policy. The second part is regarding direct taxation.

There are more than 150 tax exemptions allowed. What is the total tax loss because of these exemptions that are being allowed on such a massive scale? Rather than giving exemptions, you should lower down the tax rate as suggested by the Chelliah Committee. Even research has shown that there is a better compliance when the tax rates are reduced. Tax

collection would also increase. You should seriously apply your mind on this. You should see whether it is possible to consider 'no exemption' and instead reduce the tax rate. The third point is regarding the search and seizure policy. The Standing Committee on Finance has also gone into this question in depth. Does this policy generate more revenue? Does it help in curbing black money? The Standing Committee on Finance which went into this question in great detail came to the conclusion that this policy has neither generated revenue nor has it helped in curbing black money. What has it actually produced? It has led to corruption. This policy should be replaced with some kind of tax audit policy which is already prevalent. This policy is absolutely barbaric. You carry out raids only after you have some information. When you have the information, don't raid, but allow the tax audit people to do the job.

The tax department finds that somebody has more money. The department asks the person to explain the source of the money otherwise, he has to bear the tax as well as the penalty. The hon. Finance Minister has said that raids take place but revenue is not earned. Nothing is added. This has been the experience in the last 30 years.

Raids are conducted and incriminating documents are found. Money is found. But not a single paisa goes into the treasury.

I think that this needs to be further gone into...

THE VICE-CHAIRMAN (SHRIMATI JAYANTHI NATARAJAN): You have to conclude now.

SHRI SURINDER KUMAR SINGLA: I am not going to take more time. I am not touching issues on a large scale. I am just mentioning the issues. Madam, there is the issue of the State of Punjab. The hon. Minister, while replying to the debate on Jammu and Kashmir yesterday, mentioned quite correctly that we have to fund the Jammu and Kashmir Budget and give funds for planning purposes because the people of Jammu and Kashmir are fighting a national war. Similarly, the State of Punjab suffered for 12 years. It virtually fought a war against Pakistan. We know how we suffered. The hon. Finance Minister's parent Ministry knows how the police expenditure increased. He himself was the Minister of State for Home and he knew that from Rs. 18 crores, the police expenditure in the State of Punjab has gone upto Rs. 130 crores. It is not really the internal security problem which increased the police expenditure but it is the threat from outside forces. I think that it is the duty of this country to pay and waive the funds which were raised to meet the challenges of terrorism. I would like to remind the House that the Tenth Finance Commission has already recommended to that effect. It has seriously considered waiving at least a year's loan now. I would request the hon. Finance Minister as well as the Prime Minister to plead a case for the State of Punjab. I am making a special request to the Finance Minister to consider it.

Then, Madam, there is a general policy of reducing import duty. One would really admire the spirit behind it. We want our industry to be competitive. We want that the Indian consumer does not suffer because of high prices on account of tariff. But, Madam, my point is that when you look at it in the present circumstances, the present policies are competitive. What happened when the industries were actually established. These policies did not exist then. For example, I would like to give the example of a biggest industrial unit in Punjab dealing in acrylics. When that unit camp up, there was a limitation on the size of the industry to be established. So, if you want the industry to be a limited one, as per the policy of the Government of India, how can you have scales of economy?

And you cannot produce goods at a cheaper rate as the multinationals in the world would produce. The second part is, if you look at the cost of the project here, it is going up as compared to other countries. You will find that 80 per cent of the cost is the import duty on machinery. Now you have reduced the duty on acrylic. As a result, there will be a flood of industries in the Indian market and the existing units will be closed down. Who is going to suffer? All the money that has been invested in this industry, around Rs. 1,000 crores, has been funded by financial institutions of this country as well as by the State Governmnet. So, tomorrow if we find that the present policy of the Government is wrong, what are we giong to do? The industry will become sick. Once the industry will become sick. Once the industry becomes sick, then we will go to the BIFR. Then, there will be huge concessions...

THE VICE-CHAIRMAN (SHRIMATI JAYANTHI NATARAJAN): You have to conclude now. Please make you concluding remarks.

SHRI SURINDER KUMAR SINGLA: My point is that before actually the industry becomes sick, I would like the hon. Finance Minister to apply his mind to this aspect.

3.00 P.M.

I would like the hon. Finance Minister to apply his mind so that jobs are protected, capital is protected and there is no unnecessary import off those products coming to this country. I expect him to apply his mind and make an orderly study to know about the cost structure of industries here. If he finds it relevant, then he will really raise duties on imports. And connected with this...

THE VICE-CHAIRMAN (SHRIMATI JAYANTHI NATARAJAN): Mr. Singla, you will have to conclude now.

SHRI SURINDER KUMAR SINGLA: There is one item which I would like to mention here. There is not a single unit which is producing raw material here. If it is a raw material which is not being produced here, then why don't you do a small favour to the industry so that it becomes competitive to some extent? If it is not taken care of, the Ministry of Finance would be in trouble. So, my point is that the policy of the Government should not be responsible for the sickness of industrial capital in this country. Tomorrow, the people will look for more NPA in the banks, more NPA in the financial institutions and more cases are transferred.

THE VICE-CHAIRMAN SHRIMATI JAYANTHI NATARAJAN: Mr. Singla, please conclude. I am calling the next speaker.

SHRI SURINDER KUMAR SINGLA: So, let that route not be followed. My Marxist friends will have a job available there all the time—I don't want really to create a job for them. So, I request the Finance Minister to accept this small proposal to save industries in Punjab and help Punjab for which I shall be grateful to him.

SHRI R.K. KUMAR (Tamil Nadu): Madam Vice-Chairperson, in my opinion, this discussion is like the second innings of a cricket match. What is the Finance Bill? The Finance Bill is the legal form of the Budget proposals and we have talked enough on the Budget proposals during the general discussion on the Budget. Anyhow, I want to raise one or two points here. In fact, we are handicapped as the Finance Minister has already made up his mind and he has already given his reply in Lok Sabha on what he is going to accept and what he is not going to accept. Except on MAT, he has been very responsive. I am very happy that clause 17 of the Finance Bill has been amended. During the course of my debate on the Budget proposals, I pointed out how we are going to determine the interest paid to scheduled banks, whether the interest paid of scheduled banks is actually paid in re-

spect of cash credit and overdraft. I am very happy to find that he has replied to that point thereby saying that it is being amended to pay interest on terms loan only. Whatever I expected from him, he has done that. So, Madam, I will not take much of your time and you need not press the bell.

The second point which I want to raise here is relating to rule 57 (CC). I would like to explain it here.

Madam, rule 57(CC) stipulates that when a company manufactures dutiable goods and non-dutiable goods and in respect of dutiable goods duty paid inputs take the MODVAT credit, the reversal of the original proposal was 20 per cent of the non-dutiable goods were to be reversed. So, we raised the point that if I am not getting that much benefit on the dutiable goods, then there would be some hardship. So, in my Budget speech I made a request that it may be amended to say that the reversal should be the actual MODVAT credit taken in the dutiable section or certain percentage, whichever is lower. Instead of that, the percentage has been lowered from 20 per cent to 8 per cent with an option—no doubt, there is an option, I must say it in all fair-ness—that you maintain separate books separate inventory and separate invoices. Madam, through you, I want to appeal to the hon. Finance Minister that in small units—probably I don't understand there may be some problem in textile and other industries—of pharmaceutical companies, there is a problem. These small pharmaceutical companies buy goods in bulk and they cannot buy raw material separately for non-dutiable goods—I am not asking for a separate invoice for that— I can maintain books of account, no doubt. If I buy 50 kilograms of raw material, 20 kilograms are used on dutiable goods and 30 kilograms are used on non-dutiable goods. I can maintain books of account to show that I have bought this much, this has been used and this is the balance. But, buying separately for each section and keeping inventory separately will cause undue hardship. The hon. Finance Minister has been kind enough to give an option and the option is in that way by reducing it by eight per cent but one has to maintain separate inventories and accounts. This option gives no real relief. So, if I want that it can be 20 per cent and still I could have this option.

I would like to appeal to the hon. Finance Minister, through you, to review and amend this rule to say that reversal is restricted to the actual MODVAT credit taken on dutiable section or 8%, whichever is less without insisting on separate maintenance of inventory or accounts for the purchase of raw materials, or in the alternative, exempt pharmaceutical companies from this.

Thank you.

THE VICE-CHAIRMAN (SHRIMATI JAYANTHI NATAKA JAN): Shri B.B. Dutta—not here.

श्री नागेन्द्र नाथ ओझा (बिहार): उपसभाध्यक्ष महोदया, मैं 2 बिंदुओं पर मंत्री जी का ध्यान दिलाना चाहता हूं। महोदया, हमारे देश में अभी तक जितने भी बजट आये, जितनी भी योजनाएं बनाई गई, उनका सबसे दुःखद पहलू यह रहा है कि जो ह्यूमन फैक्टर है हमारे देश के विकास में, उसको नज़रअंदाज किया गया है। चाहे कृषि का विकास हो या औद्योगिक विकास हो या दूसरे क्षेत्र हों, हमने काफी बड़ी रकम उनमें खर्च की है और विकास भी हुआ है और हमने समय-समय पर इस पर खुशी ज़ाहिर की है कि हमारा देश आगे बढ़ा है। लेकिन हमारे देश की जो आबादी है, उसका बड़ा हिस्सा इस लाभ से वंचित रहा है।

महोदया, मैं यह कहना चाहता हूं कि यह बड़ी खुशी की बात है कि कृषि के क्षेत्र पर और कुछ अन्य क्षेत्रों पर इस सरकार ने जोर दिया है जिससे बड़ी संख्या में लोगों को फायदा होने की उम्मीद है। लेकिन मैं फाइनेंस मिनिस्टर साहब से निवेदन करना चाहता हूं कि उनको एक काम की ओर अवश्य ध्यान देना चाहिए जिससे कृषि में लगी हुई बड़ी आबादी को फायदा हो। हमारे मित्र अभी लैंड-रिफार्म्स की चर्चा कर रहे थे। मैं यह कहना चाहता हूं कि हमारे देश में गवर्नमेंट के पास बहुत सी जमीन खाली पड़ी है, जिसका कोई उपयोग नहीं हो रहा है। यह जमीन करोड़ों एकड़ की मात्रा में है और

एक्सपर्ट्स ने अनुमान लगाया है कि इनको डेवलप करने में, कृषि योग्य बनाने में लगभग 45 हजार करोड़ रुपए खर्च होंगे। अगर इस तरफ ध्यान दिया जाए और इन जमीनों को कृषि के लायक बनाया जाए तो करोड़ों परिवारों को यह जमीन मिल सकेगी और उनका जीवन-स्तर ऊंचा उठाने में मदद मिलेगी।

महोदया, दूसरी बात मैं यह कहना चाहता हूं कि हमारे देश में बहुत से राज्य ऐसे हैं जो पिछड़े हुए हैं और पिछड़ते ही जा रहे हैं। बिहार उनमें से एक है और जो हमारे पूर्वी और उत्तरी प्रांत हैं, वे भी काफी पिछड़ी स्थिति में हैं। मेरा निवेदन है कि इन राज्यों की तरफ विशेष ध्यान दिया जाए और इन्हें विशेष तौर पर मदद देने के लिए, बजट एलोकेशन करते समय इनका ध्यान रखा जाए। मैं इन्हीं दो बिंदुओं की तरफ माननीय मंत्री जी का ध्यान आकर्षित करना चाहता था। धन्यवाद।

SHRI RAM JETHMALANI (Maharashtra): Madam, you make me feel like a person who is about to be hanged and told to express his last wishes in three minutes and being fairly old, I have hardly any wishes left. But I might use these three or four minutes to give my hon. Finance Minister some gratuitous advice which I am quite sure will pass through one year and pass out the other. Nevertheless, I will try.

One of the points I wish to stress. I thought the Finance Minister was serious when he said, "People who have to pay tax will pay", I thought it was a brave statement made and I also thought he will now go after tax defaulters.

But, I do not find any reflection of it in any administrative action or in any legislation which he has embarked upon. I suggest that the recovery of arrears of taxes, both Excise and Income-tax and other taxes is of very serious concern and that is causing a serious damage to those who honestly pay their taxes. The trouble, Madam, is that and as a layer I can tell you from my experience what is happening in our courts that most of the stay orders issued by the courts are collusive they are done with the full concurrence of your departmental representatives in the courts. I suggest that a time has come when you must appoint some senior counsels throughout India, perhaps an Additional Solicitor-General specially endowed with this task, to go round the country's courts and tribunals and see to it that most of the collusive orders that have been made for stay on recovery are discharged or revoked. You must see to it that the defaulters go to jail.

We are talking of tax defaulters and tax evaders in this country. Please tell me one person whom you have ever succeeded in sending to jail. Why does it not happen? The Reserve Bank of India has recently published a list of corporate and individual defaulters. Please look into that list. I am not on a point of very high principle. You have parted with the party to which you belonged to for a number of years; I admire that. But, I do not know whether you have mentally and intellectually prepared yourself for dealing with those sternly and firmly who enjoy the clout and protection of your erstwhile party. If you look into this list you will find that something which deserves to be done has not been done for years. Please take the credit for doing that, however, late it may be.

Secondly, I am talking in the context of people dying of hunger and poverty in this country. But, in some apartments crores are floating around in pillow-cases and in bed-sheets. Will you please consider whether we should have a legislation in this connection? Whether you put in the Finance Act or you put it in the Penal Code or you put it in the Representation of the People Act, somewhere in some law, I expect that you should make a provision which should read on these lines: Any amount of money exceeding Rs. 20,000 found in the possession or custody or control of any office-bearer of a political party shall be deemed to be money which is acquired by evasion of the Income-tax law and shall render the said office-bearer liable to a minimum sentence of three years; but which may extend to imprisonment for life. ...(*Interruptions*)... It shall be no

defence to under this section that the amount belonged to or was held on behalf of any political party. Any person shown to be acting as an officer-bearer of a political party though not officially designated as such by the party, shall also be punishable as an office-bearer in fact and in law. Now, please think on those lines and you will remedy a lot of evils that are floating around in our society today.

(Time Bell) Madam, it will hurt my heart if you ...*(Interruptions)*...

THE VICE-CHAIRMAN (SHRIMATI JAYANTHI NATARAJAN): You have said everything that is to be said ...*(Interruptions)*...

SHRI RAM JETHMALANI: Madam, if you raise your finger, I will sit down. ...*(Interruptions)*... I will take two more minutes. Madam, I have a very disturbing report which was published in The National Herald of the 9th of September, 1996. It contains the photograph of the Prime Minister and the heading is, "Prime Minister promises more funds for Bihar and Uttar Pradesh." Has not some election morality come into existence in this country? We have a code of conduct and now the elections have been announced for both these States and the programme is already out. At one place you promise that you will build a dam; at another place you say that the costs of agricultural inputs and labour are rising and you will see that these come down. At another place you make another promise; you make a third promise, you make a fourth promise. I know our Prime Minister is a grassroot farmer. Certainly, it is good to woo the grassroot farmers in the next elections. But, you can do it with your own money and not with the public money. The public money is in trust and it is subject to some restraint and inhibitions in the matter of disposal during election time and particularly this time. Please advise the Prime Minister, convey it to him that this is nothing but open bribery and corrupting the political process.

Lastly, Madam, if you can give me half-a-minute, I have got something about your; Crop Insurance Scheme. I have the figures. Now, this again, I am sorry to say, may sound like something against the grassroot farmers. I understand from the figures that for every rupee that you earn by way of premium, you are losing Rs. 6 and this is the kind of business which the Government is carrying on in which there is no possibility of profit ever. I have never understood a business being carried on in which there is not 1%, not even millionth part of 1%, chance of ever making any profit. This is where you are surrendering to expediency. I admire the manner in which the very complex, polyandrous union that you have entered into. You are holding your moderate virtue in moderate control. But, this is something where you are surrendering your virtue and I think you should not surrender to these expediencies. Please cut these out. Somebody will have to suffer as a result of the policies on which you have embarked, and this suffering for the time being, is essential, and the more you surrender, the more you bring about a complete frustration of the reforms upon which you have entered. Otherwise, Madam, I recommend to this House, and very seriously, that the Finance Bill be passed as proposed. What I am objecting to is not what it contains but what it does not contain. Thank you.

THE VICE-CHAIRMAN (SHRIMATI JAYANTHI NATARAJAN): Mr. Ravi, if you want to speak, then you have to speak for two minutes.

SHRI VAYALAR RAVI (Kerala): Madam, I do not want to repeat what has already been said in this House. But, after the presentation of the Budget, after the many debates, meetings as well as interviews given by the hon. Finance Minister, what has disturbed me is his attitude towards the public sector. The whole concept of the public sector from its very inception—as he knows, he is a Nehruite, I hope so—is the social con-

tent. There is not only that kind of investment of the State alone, but there is a political philosophy in it. Unfortunately, after liberalisation and globalisation, the biggest casualty is going to be the public sector which is very disturbing trend. Mr. Jethmalani is congratulating you for nothing. He is hoping that you may go to his side. But, of course, I know that you will not go. But, at the same time, you cannot forget what you articulated once upon a time and you cannot give up your faith in the public sector. Madam, now, a disinvestment board is created. But those people who come into this board themselves are against the public sector. The public sector has been made sick. This is my complaint. I can give many examples. As a trade union leader, as a leader of different trade unions in the public sector, I can tell you about one industry where people of this country are interested, the Hindustan Latex Limited. It is one of the major institutions helping in family planning. But the Government of India refused to place orders with Hindustan Latex Limited and made the industry become sick. I am giving only one example. What is preventing the Minister from placing orders? Not this Government, the previous Government also— I belong to that party—refused to place orders with the Hindustan Latex Limited and in that process, a profitable concern has been exposed to lay-off, and the establishment has been ultimately closed down. Taking a large perspective there are 126 public sector undertakings which are making profit and a few are in a loss. But some people wanted to grab the whole institution because it involves an investment of about Rs. 1,73,000 crores. Are you going to write it off? My only question is that the hon. Finance Minister shall not be a party to kill the public sector. That is my only appeal. Do whatever possible you can, use the Governmental machinery, other departments, other Minsitries and try to sustain by giving them more orders, and allow it continue. Do not talk of philosophy, as in the past ...*(Interruptions)*... So, I am only appealing to you, liberalisation shall not mean that it is a freedom for the private sector to kill the public sector. Madam, I do not want to say anything more due to paucity of time though I wanted to say many more things. I hope that the hon. Finance Minister will look into this. Thank you.

श्री राघवजी (मध्य प्रदेश): महोदया, दो लाख करोड़ रुपये के टैक्स इकट्ठे करने है और दो घंटे भी हाउस को नहीं मिल रहे है, यह बड़ी अजीब बात है। मैं अपनी बात संक्षेप में और बिन्दुवार कहना चाहूंगा ताकि कम समय में सारी बातें पूरी हो सकें। मैंने पिछली बार भी कहा था कि नया इनकम टैक्स ऐक्ट बनना चाहिए, यह पुराना हो गया है और इसमें इतने सारे कांप्लीकेशंस पैदा हो गये हैं कि एक-एक क्लॉज में "ए" टू "जैड" है और उसके बाद भी ए (ए) ए(बी) हैं। इसलिए नया इनकम टैक्स ऐक्ट बनना चाहिए। जो नया इनकम टैक्स ऐक्ट बने, वह सरल होना चाहिए। जो वर्तमान ऐक्ट है, वह बहुत कठिन है, वह वकील तक नहीं समझ पाता तो एक साधारण व्यक्ति, करदाता उसे कैसे समझ पाएगा। इनकम टैक्स जो लगता है, उसमें इनकम के आधार पर कुछ और टैक्स लगाने का अधिकार राज्यों को दे दिया है। इससे बड़ी दिक्कत होती है। माननीय वित्त मंत्री महोदय ध्यान देंगे कि प्रोफेशनल टैक्स लगाने का अधिकार राज्यों को है। इनकम टैक्स सौ रुपये लगता है लेकिन उसी आमदनी पर 600 रुपये प्रोफेशनल टैक्स लगता है। इसलिए वह छुपाने की कोशिश करते है क्योंकि 600 रुपये भरने की उनकी हैसियत नहीं होती है। इसलिए राज्यों का यह अधिकार समाप्त कर देना चाहिए। कोई भी राज्य इनकम पर कोई टैक्स नहीं लगाएगा, चाहे वह प्रोफैशनल टैक्स हो, चाहे कोई और हो। सेल्स टैक्स हटाने की बात सभी राजनीतिक दल करते है लेकिन आज तक इसके बारे में कोई भी ठोस कदम नहीं उठाया गया। मैं माननीय वित्त मंत्री जी से कहना चाहता हूं कि कम से कम आप पहल करें। ऐक्साइज ड्यूटी की परिधि में और अधिक वस्तुओं को लाया जाए जैसे कपड़ा है, तम्बाकू है। इस प्रकार की दर्जनों चीजें इसमें आ सकती हैं। इससे सेल्स टैक्स का बोझ कम हो जाएगा और सेल्स टैक्स वालों को जो परेशानी भुगतनी पड़ रही है, वह उन्हें नहीं भुगतनी पड़ेगी। मैं कहना चाहता हूं कि इसे तो आप कर सकते हैं। कुछ ऐसे प्रावधान हैं जो बिल्कुल अमानवीय लगते हैं। इनकम टैक्स कानून में एक ऐसा प्रावधान है कि

जिसकी बिक्री सालाना 50 हजार रुपये होगी, वह परमानेंट अकाउंट नम्बर के लिए अप्लाई करेगा और अप्लाई न करने पर उसे 500 रुपये जुर्माना देना पड़ेगा। मैं मंत्री महोदय से कहना चाहता हूं कि 50 हजार रुपये तक की सालाना आमदनी तो उसकी भी होती है जो रेलगाड़ी में झोला लेकर मूंगफली बेचता है, एक छोमचे वाले की भी इतनी आमदनी होती है, चाय वाले की भी इतनी आमदनी होती है। तो क्या आप उनको इस तरह से परेशान करना चाहते हैं? क्या वास्तव में इस प्रकार का कानून इन्फोर्स हो सकता है? मुझे तो ऐसा लगता है कि इससे भ्रष्टाचार का रास्ता जरूर खुल जाएगा। मुझे आशा है कि इस प्रकार के प्रावधानों पर आप ध्यान देंगे। अकाउंट बुक्स का जहां तक मामला है तो आप क्या समझते हैं कि हर आदमी स्वयं अकाउंट्स जानता है? अकाउंट बुक्स लिखने के लिए एक छोटा सा मुनीम रखने के लिए भी 3000 रुपये महीना केवल खर्च करना पड़ता है और जिसकी आमदनी इतनी नहीं है, वह क्या 3000 रुपये महीना अकाउंट बुक्स लिखने के लिए खर्च करेगा। आपका यह प्रावधान है कि जिसकी 40,000 रुपये की आमदनी है, वह अकाउंट बुक्स रखेगा और अकाउंट बुक्स नहीं रखने पर उसको एक लाख रुपये तक जुर्माना देना पड़ सकता है। तो आपने इसमें छोटे व्यापारियों को बिल्कुल ध्यान में नहीं रखा है। इस तरह के प्रावधान रखने से केवल भ्रष्टाचार के अलावा और कुछ होने वाला नहीं है। इस तरह के प्रावधान रखने से इंस्पेक्टर्स की आमदनी होती है, इनकम टैक्स अधिकारियों की आमदनी होती है, इसके अलावा और कुछ नहीं होता। इसी प्रकार से ऑडिट के बारे में प्रावधान है कि जितनी टर्न ओवर होगी, उस कुल सेल का आधा परसेंट उसे जुर्माना लग सकता है। आधा परसेंट उसे जुर्माना आदि करना पड़ेगा। अगर किसी की 2 करोड़ की टर्न ओवर है तो उसे एक लाख रुपये जुर्माना अदा करना पड़ेगा। और मिनिमम जुर्माना एक लाख रुपये है। यह ठीक नहीं है। ऑडिट आगे-पीछे पेश हो सकता है, देरी से पेश हो सकता है। इस तरह के जुर्माना के प्रावधान गलत हैं। कैपीटल गेन्स के बारे में कहना चाहता हूं कि अगर कोई छोटी सी जायदाद भी बेचने जाए—चाहे वह 10 हजार की हो, पांच हजार की ही—वह भी केपीटल गेन्स की परिधि में आता है। उसमें छूट का प्रावधान नहीं है। तो कम से कम आप इस बात को करिए कि 50 हजार की जायदाद की अगर कोई खरीद या बिक्री करता है तो वह केपीटल गेन्स की परिधि में नहीं आएगा। इसके अतिरिक्त ऐक्जेंप्शन लिमिट 40 हजार चली आ रही है। इन्फ्लेशन को ध्यान में रखें तो 40 हजार जो तीन साल से चली आ रही है, वह 55 हजार हो जाती है। मेरा सुझाव है कि इसको आप 60 हजार का करें। जुर्माने के जितने भी प्रावधान हैं, उसके बारे में मैं कहना चाहता हूं कि जो टैक्स नहीं देते हैं, उसको आप कड़ी-से-कड़ी सजा दें, उस पर केवल जुर्माना ही न लगाएं बल्कि उसे सख्त सजा दें किन्तु जो जेनुअन लोग हैं, उनको आप फिजूल के प्रावधान रखकर परेशान करते हैं तो वह गलत है। उदाहरण के लिए, मान लीजिए कोई भूल से 20 हजार रुपये से ऊपर का पैसा बगैर चैक के लेता है या बगैर चैक के भुगतान करता है तो जितना पैसा लिया है, उतने तक उसको पेनल्टी लगती है। इस प्रकार के और भी कोई प्रावधान हैं जिनको मैं यहां पर कहने का अवसर चाहूंगा। गिफ्ट टैक्स के मामले में पुनर्विचार होना चाहिए। अगर एक पिता अपने पुत्र को रोजगार लगाने के लिए गिफ्ट करता है तो उसको भी गिफ्ट टैक्स देना पड़ता है। इससे कितनी आमदनी होती है? पूरे गिफ्ट टैक्स से आपको 10 करोड़ की आमदनी नहीं होती है। इस प्रकार के प्रावधान रखने से आपको क्या लाभ होने जा रहा है, यह मेरी समझ में नहीं आता है।

अभी बीड़ी की प्रतिस्पर्धा करने के लिए एक मिनी सिगरेट निकली हुई है और उसमें मल्टी-नेशनल्स हैं। उसके ऊपर शुरू में जो एंक्साइज ड्यूटी प्रपोज थी वह अब आधी हो गई है इसलिए मैं चाहता हूं कि जो एक्साइज ड्यूटी शुरू में उन पर प्रपोज की गई थी उसको उससे भी ज्यादा बढ़ाकर लगायें ताकि बीडी का उद्योग संकट में न फंसे। यदि यह मिनी सिगरेट चलने लगेगी तो बीड़ी उद्योग में लगे लाखों लोगों को नुकसान होगा क्योंकि वे बीड़ी उद्योग पर ही पल रहे हैं। आप इस पर भी विचार करें। मैं अपने क्षेत्र की एक बात का निवेदन करना चाहता हूं। मध्य प्रदेश के विदिशा शहर में इन्कम टैक्स सरकिल में पिछले एक वर्ष से लोगों को रिफण्ड का पैसा नहीं मिल रहा है। इन्कम टैक्स ऑफिस से रिफण्ड आर्डर जारी होते हैं और बैंक वाले उनको स्वीकार करने से इन्कार करते हैं। फिर वे वापस इन्कम टैक्स ऑफिस वालों के पास जाते हैं तो इन्कम टैक्स ऑफिस में उनका कोई इन्तजाम करने के लिए तैयार नहीं है। एक साल से अभी तक कोई ऐसी व्यवस्था नहीं हो पाई है जिससे उनका रिफण्ड, उनको मिल सके। इसलिए मैं माननीय वित्त मंत्री जी से निवेदन करना चाहता हूं कि वे इस बात पर भी अवश्य ध्यान दें। धन्यवाद।

SHRI P., CHIDAMBARAM: Madam Vice-Chairperson, I am grateful to the hon. Members for this very brief but illuminating debate on the Finance Bill. I shall also be very brief in my reply. Most of the issues that arise in general—questions of policy, questions of philosphy, questions of ideology—were all raised and debated on the earlier occasion. The Finance Bill really gives legislative shape to the proposals on taxation but, of course, a was expected, the debate has travelled beyond various taxations and touched upon some other issues which appear to agitate the minds of the hon. Members.

I wish to disabuse the impression that we are not sympathetic to the salaried class. I will make one more attempt to explain the rationale of the methodology that I have adopted to achieve the objective which Prof. Malhotra and others have, and which I share. What is his objective? His objective is that any one who earns a salary or a fixed income of Rs. 5,000 a month or Rs. 60,000 a year, should not pay any income tax. Under what I have done, he will not have to pay income tax. If he still does, I would ask him to change his Chartered Accountant, who is an eminent one...

PROF. VIJAY KUMAR MALHOTRA: It was already there. ...*(Interruptions)*...There is nothing new.

SHRI P. CHIDAMBARAM: When you raise it to Rs. 60,000 without reference to the salaried class, you apply it also to the non-salaried class, and when you raise the exemption limit to Rs. 60,000, it applies even to the richest people. For example, it will apply even to Mr. Jethmalani. ...*(Interruptions)*... He will not pay tax on the first Rs. 60,000. And that is the intention. The intention is not to give the benefit of Rs. 20,000 to the people in the highest slabs. The intention is to give to the first slab, and that too, to the salaried class.

There is another reason why I cannot raise the limit, because 20 to 30 lakh tax payers will go out of the tax net. Suppose, they have other incomes, supose, their incomes increase in the years to come—as can be expected—it will be difficult to bring anyone who goes out of the tax net back into the tax net. But, I think, what we have done is, although a little cumbersome and not as elegant and neat as the solution that you propose, the best way to give relief. The objective is relief, not to dramatise relief. The objective is to give relief, and relief has been given to any one who has an income of up to Rs. 60,000 a year.

PROF. VIJAY KUMAR MALHOTRA: You can increase the standard deduction.

SHRI P. CHIDAMBARAM: The standard deduction has been increased in the first slab from Rs. 15,000/- to Rs. 18,000/-. In the case of slaried classes in the higher slabs the assumption is that some part of the expenses, which otherwise is accounted for by standard deduction, is picked up by the employer. It is only the lower end of the employees who have to pick up their expenses themselves, transport, canteen expenses etc. In the case of the higher end of employees, the assumption is that the employer picks them up by providing a car or a bus or a subsidised canteen. Therefore, we have not extended the standard deduction. Of course, another very material reason is that if I extend it acros the board, I lose Rs. 135 crores. I cannot afford to do that this year. We will see about it next year. I am quite sympathetic to what you have said. I share your approach. But I will have to find a neater and more elegant way of dealing with the whole tax structure when we wills have a new draft of the income-tax law which, I hope, will be available for debate on the 1st of January, 1997.

About MAT, I have noted Mr. Gupta's suggestions. I have done the best that I can do in this Budget. I have exempted

sick industries as well as backward areas and districts. I am still considering the representation of the exporting community. For the first time yesterday. I received what appeared to be valid data. I am still going through that data. Let us see how MAT impacts upon industry. Let us see the revenues that will come out of MAT. I expect the revenues are high and buoyant. Still, we can examine if there is a case to give relief to the exporting community. For the present, I am afraid I will have to disappoint it, although I have championed its cause for several years and I still continue to champion its cause.

I will come later to Mr. Narayanasamy's point because I will have to deal with figures. Let him not think that I have skipped him.

Mr. Agarwal mentioned about linear accelerators. I saw the linear accelerator at the Rajiv Gandhi Institute of Cancer Research. So, I asked my people, "Why don't you get rid of the 10% duty on linear accelerators?" The reason is that there is domestic production of linear accelerators now. Three have already been produced and installed. More are being produced. They cost about Rs. 2.4 crores each. The Department of scientific and Industrial Research has recommended that at least for a few years there should be a small protection of 10 per cent on imported linear accelerators. Once the production stabilises in the domestic sector and they are able to compete, I will take a second look at this tax.

About the road sector, I thought we had made a big jump from something like Rs. 200 odd crores. For the Department of Surface Transport this year I have provided Rs. 1,322 crores which is an increase of Rs. 240 crores. Rs. 200 crores has been given for capitalising the National Highway Authority of India. I am confident that my colleague, the Minister of Surface Transport, will be able to use that money to leverage three times or four times that money in order to give a big boost to road development.

Mr. Baby has his pet baby's caprolactam and paper. Caprolactam is part of DMT, MTA anbd NEG group. I have reduced the duty on DMT, MTA and NEG to 25%, but in the case of caprolactam I have kept it at 30 per cent, There is a popular misconception that we are an importer of caprolactam. We do not import and caprolactam. We are a net exporter of caprolactam. In fact, the domestic prices are highly competitive against the landed cost of the imported goods. The reason why we bring down these duties is that we have to do it gradually. We cannot do it in a sharp burst, suddenly in one year. So, we are gradually bringing down duties on this family of building blocks.....*(Interruptions)*

It is a complete misconception to say that FACT will not exist. FACT is making a profit in the caprolactam line. FACT has got other products which are uneconmical products, and they are produced inefficiently. FACT, according to my information, is cross-subsidising the other lines out of its profits from caprolactum. Therefore, please don't blame caprolactam. Caprolactam comes only in advance licence. That does not come in the domestic market. FACT and Gujarat Fertilizers have adequate capacity to produce all the caprolactam that we require, and we are net exporters of caprolactam.

By bringing down duites, the signal that I am sending is that you must remain efficient and competitive. Believe me, by the bringing down of duties on Captrolactam, not any Captrolactam will come into India, because we are still cost competitive and the FACT would be forced to become more efficient and more competitive. That is how all industries should become.

On paper, I have announced some changes in the duty structure. The changes that I have announced after informal consultations with all sections of the paper industry, would be adequate. We have now given a big boost to mills

which use non-conventional raw materials. Any mill, which uses more than 75 per cent raw meterial from non-conventional sources, will now have to pay only 10 per cent duty. and even there, the first clearances of 10,000 tonnes are fiven a concessional duty of 5 per cent. Almost 300 paper mills are covered by this and there shouls be no grievance at all. The very big mills which use wood-pulp and other pulp have to pay 20 per cent. Thereofore, there is a difference of 10 per cent between the mill which uses non-conventional raw material and the mill which uses wood-plup and other pulp. That, I think, is enough for those who use non-conventional raw materials.

Paper is a consumer product. It is used by industry; it is used by domestic households and it is used by offices. Paper must be available at cheap prices. Please remember, I have completely exempted paper used by textbooks and by all State Textbook Corporations. That is a big bonanza to the paper industry. So, please keep that exemption of excise duty in mind while you evalutate the duty structure on paper.

On newsprints I have already indicated in the other House, and I am happy to repeat that here, that a small group of MPs belonging to all parties, an informal groups of MPs belonging to all parties, four or five of them, are being requested to recommend whether there should be a trigger-point at which newsprint duty must be imposed and/or removed. I think, that group will be constitiued perhaps tomorrow and I expect them to report in three or four days. Then we will take a decision keeping in mind the interests of the importers, the domestic producers and the consumers i.e. you and me, who read papers and want newspapers at low prices.

There is some misconception about RIDF. RIDE is funded by the gap between the target priority sector lending and actual priority sector lending. It does not come out of NABARD's own funds. NABARD's funds are used for NABARD's objectives. Priority sector lending has a target of 40 per cent. The average for all public sector banks is 37.5 per cent. The shortfall is being funded as RIDF through NABARD. NABARD has a long list of activities, which can be funded through RIDF-1 last year and RIDF-2 this year and all of them are related to agriculture and allied industries. It will give a big boost to value-added agriculture; it will give a big boost to our progressive farmers and it will give a big boost to risk-taking farmers, who want to experiment with better seeds, better varieties of agricultural production and better marketing.

Mr. Singla complained about Acrylonitrile, an Acrylic fibre. We have placed the duty at 30 per cent on all fibres. Therefore, Acrylic fibre is also placed at 30 per cent. The raw material is Acrylonitrile. In the case of Acrylonitrile, we have reduced the duty form 20 per cent to 10 per cent. Now, you would like even that 10 per cent to be knocked out. There is IPCL, which produces Acrylonitrile. At the moment, of course, it is virtually consuming captively all the Acrylonitrile, but there is a chance that some Acrylonitrile might be marketed by IPCL. In such an event we are giving it a small protection of 10 per cent. But, we can always review this during the course of the year whether Acrylonitrile duty must be reduced further.

Mr. Kumar wanted to know about Rule 57 (CC). Either you take the 8 per cent reversal of MODVAT, in which even nobody is asking you about your accounts...

This is the average for all industries or you maintain two sets of books. Now, I know the difficulty of maintaining two sets of inventories. I have to look into whether I can eliminate two sets of physical inventories as long as you show that in books as separate inventories. I promise you we will look into that.

Mr. Jethmalani made a point about collusive orders of stay. Well, he should know about it. I hope he wasn't on one

side of a collusive order of stay. I do not know. But we will see this.

I am also concerned about the huge arrears which public sector banks owe to the Income Tax Department, which the public sector companies owe to the Income Tax Department apart from industrial houses. According to me there is this very unacceptable provision of the Income Tax Act, Section 113 which says that any money seized in a raid shall be taxed at 60 per cent and the remaining 40 per cent would be returned to the person from whom it was seized. This might have been a good provision in order to quickly collect some revenue. I think it encourages people to keep money so that you take away 60 per cent and he is still left with 40 per cent.

SHRI R.K. KUMAR: The risk is only 20 per cent.

SHRI P. CHIDAMBARAM: There is no risk at all. If I am getting corrupt money, I have no risk at all. If you don't catch me, I get Rs. 100. If you catch me, I still get Rs. 40. So, there is no risk at all.

SHRI SURINDER KUMAR SINGLA: Corrupt money or tax evasion money.

SHRI P. CHIDAMBARAM: I think both are the same.

SHRI R.K. KUMAR: The normal rate of taxation is 40 per cent. If he is caught it is 60 per cent. So the risk is only 20 per cent.

SHRI P. CHIDAMBARAM: The normal rate of taxation is when you file a return. This is assuming that he has not filed a return. I am told that in most of these cases they don't file a return although they are obliged to file a return. Because they are quite happy that you take away Rs. 60 and leave them in peace with Rs. 40. I think this provision has to be looked into. We will have to see as to why this provision was made in 1994 or so. We must review this provision. In fact I have already directed that this provision should be reviewed by the new drafting committee.

Then, of course, on crop insurance the point is valid. I am told that it is not a profitable service product that is being marketed by the insurance. But what do we do? Even if one half of the insured gets the benefit of insurance in a case of crop failure—let me assume—the other half is the one that causes huge losses. I think if a farmer, the small farmer, a loanee farmer who draws a loan from an agricultural credit society or a village credit society invests in agriculture. But the crop fails due to famine or floods or drought. Even if one half of the insured genuinely gets the amount of money for which they have insured in case of crop failure, I think, that makes a difference between survival and debt. So, I think one has to balance. For a prosperous farmer it may be a different thing. But for a very small farmer it makes all the difference. I think we will look at it. I understand your problem. It is not a profitable line of insurance. But I think we can't jettison the whole scheme. I think the extremely vulnerable small farmers would become even more vulnerable and might make all the difference between being able to hold on to the land or sell the land and become completely improvished land-less labourers. We need to look at it more carefully.

Regarding public sector units, Mr. Ravi made rather harsh comments. He is not here. But I want to tell him that we are not against the public sector units. On the contrary the CMP affirms the philosophy which I believe in many respects is the continuation of the programme of the earlier Government;

we emphasised some other aspects which were overlooked in the past. I do not want to read the CMP here. But we have said that we would strengthen the public sector units. Today, what is happening is that about 130 public sector units are making a profit of a little over Rs. 12,000 crores. And, 109 companies make a loss of about Rs. 8,000 crores. If you look at

the non-oil companies which make a profit, the number will be much smaller. The return on public sector investment is unacceptably low. If the Government has to borrow today in the market at 13 to 14 per cent and invest in the public sector which returns 2-3 per cent, how is that a wise investment? How is that a productive investment? That is why we say the public sector has been dissaving in this country or marginally saving. It must give a better return. It is completely wrong to say that I have said or done anything against the public sector. All that I have done is, I have faithfully repeated and articulated what the CMP says. I have faithfully articulated what the Cabinet has decided. What has the Cabinet decided on disinvestment? The Cabinet has decided that there will be no disinvestment in strategic industries. Then, in core sectors, we have said, in stages, we will disinvest up to 49 per cent, but it will still remain with the public sector because we will have 51 per cent and keep control over the core industry. In the non-core and non-strategic areas like tourism—we run even bakeries—the Cabinet has decided that we will disinvest, again, in stages, up to 74 per cent. What I have said is nothing startling, nothing alarming. It is completely consistent with the CMP and it is a faithful articulation of what the Cabinet has decided.

What have we done in this Budget? I am just giving examples. The Railways get a Budgetary support of Rs. 1269 crores; fertilizers get a Budgetary support of Rs. 373 crores of which the FACT gets Rs. 240 crores. The FACT must return to me that money. The FACT must make a profit and return that money. I am giving Rs. 240 crores to the FACT. Atomic energy industries get Rs. 125 crores; writing off of interest and loans on the BIFR direction is Rs. 440 crores; non-Plan loans to the public sector enterprises which are on the verge of sickness or sick, to pay wages month after month, are Rs. 1270 crores; for the four banks which have suffered huge losses—I am talking from my memory and I am not able to put my finger on the figure—the provision in this year is Rs. 1500 crores. Imagine if all this money was available to be invested in areas where the return is much higher, if Rs. 5000-6000 crores is available for investing in drinking water or in roads or in building, adding, capacity to successful industries or in turning around the IISCO, how much more useful it will be! We are not neglecting the public sector; we are doing it under a great strain. When I point out these figures, all I am saying is, I must get return. We must turn a new leaf. The public sector must become productive, must become more efficient, must give an adequate return. The money that is invested is not the money of an individual. It is money which is being borrowed in the market at 13.85-14 per cent. We are in favour of the public sector and we will strictly and faithfully adhere to the policy formulation contained in the CMP.

Finally, Madam, I come to Mr. Narayanasamy's points. Now, the Budgetary support this year for both the Central Plan and the State Plan is one of the highest ever. The Budget support is Rs. 54,685 crores. The Approach Paper to the Ninth Plan has not yet been written. When the Approach Paper is written, we will know what Budgetary support is required in each of the years of the next Plan. I do not think it is necessary to anticipate now or come to any premature conclusion that we will sharply reduce the Budgetary support to Plan. All indications are that the Budgetary support to Plan will continue to remain at a high level. I just want to very quickly read two paragraphs. I am circulating this note tomorrow to all the hon. Members. "Budget Expenditure for Social Services and Poverty Alleviation." Comparing 1996-97 BE to 1995-96 BE, Central Plan allocation for Social Services has increased by 50 per cent and non-Plan allocation by 16 per cent. Taking the

total of Plan and non-Plan allocation for Social Service as a percentage of the total expenditure, this has increased from 6.2 per cent in BE, 1995-96 to seven per cent in RE, 1995-96—credit to the previous Government—to 7.3 per cent in BE, 1996-97—credit to this Government. Nobody is saying that we take credit for everything. Progressively, we are increasing expenditure on social services, both under Plan and non-Plan. As a ratio of GDP at market prices, the allocation for Plan and non-Plan in social services has risen from 0.97 in BE 1995-96 to 1.19 in BE 1996-97. This does not take into account—this is the last point that I wish to make—the additional allocation of Rs. 2466 crores made under seven basic minimum services. When that is broken down into various heads of social services, you will find the allocation is much higher. This note is being copied and circulated to all hon. Members.

On Defence again, I want to point out that between the BE and RE last year, there was an increase of Rs. 1,300 crores. We have increased it by another Rs. 900 crores. Therefore, it is not as though the increase is a small increase. During the year they have got an additional Rs. 1,300 crores over BE and this year we have given them another Rs. 900 crores. I promise them that money is no constraint to Defence at all and if more money is required, more money will be provided to Defence. Let there be no doubt at all on that matter. In fact, as a percentage of increase on the capital expenditure of Defence, this year's increase is 21.6 per cent, as against last year's RE increase of 16 per cent, and as a percentage of GDP, the capital Defence expenditure remains at 0.7 for the last three years. Therefore, we have not decreased the allocation for Defence. We have made a BE provision. If more money is required, more money will be provided. I believe I have answered most of the points made. *(Interruptions)*

SHRI SURINDER KUMAR SINGLA: What about the State of Punjab?

SHRI P. CHIDAMBARAM: The Tenth Finance Commission has made a recommendation for write-off of a certain amount of loan to Punjab. I don't have a copy of the Tenth Finance Commission's report. I am sorry, now I have got a copy of the report. Yes, outstanding loans which were advanced to fight terrorism, were written off to the extent of one-third of outstanding dues during the period of the Tenth Finance Commission. Also, an additional amount has been written off. The total write-off so far is Rs. 891.29 crores. So, that is what is being done as far as Punjab is concerned.

SHRI SURINDER KUMAR SINGLA: Sir, this relates to the last year. What about this year? I had put a question about writing off of loan and interest component for 1996-97.

SHRI P. CHIDAMBARAM: I can't give you the figures off-hand. But I will write to you about that. But I don't have the TFC's report with me at the moment. This is the only information that I have got. I sent them a slip and I got this information. But I will write a detailed letter to you stating what has been the position during last year and what is intended to be done in future. I believe I have answered most of the points.

SHRI RAGHAVJI: What about the excise duty on mini cigarettes?

SHRI P. CHIDAMBARAM: The excise duty on mini cigarettes was raised by 25 per cent, from 60 rupees to 75 rupees.

SHRI RAGHAVJI: But I believe it was proposed at 50 per cent.

SHRI P. CHIDAMBARAM: No, no. Mini cigarette is a source of revenue to me. But if I raise the duty too much, I may kill the goose that lays the golden egg I have raised it from 60 rupees to 75 rupees. Mrs. Gita Mukherjee, who made this suggestion, is quite happy with this

increase. I will try to make you happy in the next Budget. Thank you.

SHRI V. NARAYANASAMY: Madam, I want to bring it to the notice of the hon. Minister only one point. I am raising it for his information and not for getting a reply from him. I made a representation to the hon. Minister about the tax that has been levied on Instant Tea. I got the information that a concession that has been given by the Government to the small-scale industries, has not been extended to it. Instant Tea and Instant Coffee have been removed from that chapter. I would request the hon. Minister not to scrap it totally and the exemption given to the small-scale industries, may be extended to them also.

SHRI VAYALAR RAVI (Kerala): I would like to make one submission.

THE VICE-CHAIRMAN (SHRIMATI JAYANTHI NATARAJAN): No, no. Now, Mr. Malhotra will say something and we will proceed further.

PROF. VIJAY KUMAR MALHOTRA: Mr. Minister, have you accepted any recommendation of the Standing Committees of Parliament?

SHRI P. CHIDAMBARAM: These reports were submitted to Parliament in the last seven or ten days. Now, we have received many of these recommendations, running into thousands. So, it is not possible in a space of ten days to go through them.

PROF. VIJAY KUMAR MALHOTRA: I asked whether you have accepted even one recommendation made by the Department-related Standing Committees in respect of any one Ministry. If you have not done so, then what is the point in making recommendations by the Standing Committees? (*Interruptions*)

SHRI P. CHIDAMBARAM: I am sorry to say that this kind of rhetoric does not carry us very far. I have to read the report; I have to understand it and I have to analyse it. How is it possible for anyone who has to handle the Finance Bill, the Appropriation Bill, J&K, U.P., in a matter of seven days, to read all the Reports of the Standing Committees?

PROF. VIJAY KUMAR MALHOTRA: Then what is the use?

SHRI P. CHIDAMBARAM: It will be done next year. The report is not for this year. The report is given for the next Budget. I don't think that any Government has ever entertained such a suggestion that the moment a Standing Committee gives its Report, in the Appropriation Bill, which is moved the next day, it should be accepted and I think that it is an absurd suggestions. ...(*Interruptions*)...

THE VICE-CHAIRMAN (SHRIMATI JAYANTHI NATARAJAN): He has answered. Mr. Jayant Kumar Malhoutra. Please be very brief. ...(*Interruptions*)...

श्री रामजीलाल (हरियाणा): अगर उन्हें नहीं मानना है तो 3 हफ्ते के ब्रेक की क्या जरूरत थी?

SHRI JAYANT KUMAR MALHOTRA (Uttar Pradesh): Madam, I will be very brief. As the hon. Minister knows, the small scale sector contributes a large amount of revenue in terms of exports and has a large potential for employment not only for the current year but also for the next ten years. This sector seems to have been totally ignored. There has been no relief. I have been asking for it and many people have also been writing to the Finance Minister for the past two or three years. Even the change in the value of rupee has not been adjusted in the reliefs that have been given to this sector. I would like the Finance Minister to react, whether he has an intention of doing anything for the small scale sector.

SHRI M.A. BABY: Madam, I would only take half a minute. This issue has not been raised. Now I am raising it. There is a discrimination between the Central public sector undertakings and

the State public sector undertakings done in providing price-purchase preference. The Minister may now reply whether the price-purchase preference which is now provided for some of the public sector undertakings will also be abandoned. I want a reply to it from the Minister. I want that if the price-purchase preference for sixteen public sector undertakings continues, the same price-purchase preference should also be extended to the state public sector undertakings. You may consider how this demand can be accommodated and to what extent. I fully agree that they should be viable, that they should improve their functioning and things like that and there are no two opinions about that.

THE VICE-CHAIRMAN (SHRIMATI JAYANTHI NATARAJAN): That all. That is finished. ...*(Interruptions)*... Now, the question is ...*(Interruptions)*...

श्री रामदास अग्रवाल: एक मिनिट। मैडम मैं एक बेसिक प्रश्न पूछना चाहता हूं।

THE VICE-CHAIRMAN: We cannot start the debate again. ...*(Interruptions)*... We cannot start the debate again. ...*(Interruptions)*... Agarwalji, please bear with me. Let us go to the procedure. Now we have to take up the Appropriation Bill. ...*(Interruptions)*...

श्री रामदास अग्रवाल: मैडम, मंत्री जी ने एक बात कही है ...**(व्यवधान)**... मैं एक मिनिट से ज्यादा नहीं लूंगा।

THE VICE-CHAIRMAN (SHRIMATI JAYANTHI NATARAJAN): Please bear with me, Mr. Agarwal. ...*(Interruptions)*... Then I have to allow Mr. Ravi also. Please bear with me. ...*(Interruptions)*...

श्री रामदास अग्रवाल: मैं उन की डिफीकल्टी समझता हूं कि स्टेंडिंग कमेटी की रिपोर्ट्स आप के पास अभी आई हैं...

THE VICE-CHAIRMAN (SHRIMATI JAYANTHI NATARAJAN): He is also saying the same thing.

श्री रामदास अग्रवाल: महोदया, उन्होंने जो जवाब दिया है, उन की डिफीकल्टी को अण्डरस्टेंड करते हुए मैं केवल आप से यह प्रश्न पूछना चाहता हूं कि स्टेंडिंग कमेटी ने जो बजट प्रस्ताव डिस्कस किया है, वह इस साल का, करेंट बजट डिस्कस किया है। उस के ऊपर क्या अगले साल विचार किया जाएगा? तो फ्लोर ऑफ द हाउस पर डिस्कस कराकर स्टेंडिंग कमेटीज को अबंडन कर दीजिए।

THE VICE-CHAIRMAN (SHRIMATI JAYANTHI NATARAJAN): He has already raised it.

The question is:

"That the Bill to give effect to the Financial proposals of the Central Government for the financial year 1996-97, as passed by Lok Sabha, be taken into consideration."

The motion was adopted.

THE VICE-CHAIRMAN (SHRIMATI JAYANTHI NATARAJAN): We shall now take up clause-by-clause consideration of the Bill.

Clauses 2 to 6 were added to the Bill.

THE VICE-CHAIRMAN (SHRIMATI JAYANTHI NATARAJAN): We shall now take up Clause 7. There is one amendment by Shri Raghavji.

SHRI P. CHIDAMBARAM: I request the hon. Members, particularly Mr. Raghavji who has given notices for a number of amendments, not to move these amendments.

SHRI RAGHAVJI: Madam, I am not moving the amendment.

THE VICE-CHAIRMAN (SHRIMATI JAYANTHI NATARAJAN): The question is:

That clause 7 stand part of the Bill.

The motion was adopted.

Clause 7 was added to the Bill.

Clauses 8 to 18 were added to the Bill.

THE VICE-CHAIRMAN (SHRIMATI JAYANTHI NATARAJAN): We shall now take up insertion of new clause 18A. There is one amendment for the insertion of new clause 18A.

SHRI RAGHAVJI: Madam, I am not moving the amendment.

THE VICE-CHAIRMAN (SHRIMATI JAYANTHI NATARAJAN): The question is:

That clauses 19 to 28 stand part of the Bill.

The motion was adopted.

Clauses 19 to 28 were added to the Bill.

4.00 P.M.

THE VICE-CHAIRMAN (SHRIMATI JAYANTHI NATARAJAN): Now we shall take up clause 29. There is one amendment, No. 3, by Shri Raghavji.

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): I once again request Mr. Raghavji to co-operate and withdraw the amendment like the earlier amendments.

SHRI RAGHAVJI: I will withdraw this amendment. But this is a very genuine amendment. You don't react on that. I will withdraw this amendment on your assurance. This is a genuine amendment. At least you promise something.

SHRI P. CHIDAMBARAM: I told you that I listed to all that.

THE VICE-CHAIRMAN (SHRIMATI JAYANTHI NATARAJAN): Are you moving it?

SHRI RAGHAVJI: I am not moving the amendment.

THE VICE-CHAIRMAN (SHRIMATI JAYANTHI NATARAJAN): Now I shall put clause 29 to vote. The question is:

That clause 29 stand part of the Bill.

The motion was adopted.

Clause 29 was added to the Bill.

Clauses 30 to 37 were added to the Bill.

New Clause 37A

SHRI RAGHAVJI: Madam, I beg to move:

That the Rajya Sabha recommends to the Lok Sabha that following amendment be made in the Finance (No. 2) Bill, 1996, as passed by the Lok Sabha, namely:—

"That at page 11, *after* clause 37, the following new clause be *inserted,* namely:—

"37A. In section 112 of the Income-Tax Act, after sub-section (3), the following proviso shall be inserted, namely:—

"Provided that no capital gains tax shall be levied if the asset is sold at a price of rupees fifty thousand or below."

The question was put and the motion was negatived.

Clause 38 was added to the Bill.

THE VICE-CHAIRMAN (SHRIMATI JAYANTHI NATARAJAN): Now we shall take up clause 39. There is one amendment, No. 5, by Shri Raghavji. Are you moving it?

SHRI RAGHAVJI: I am not moving it.

THE VICE-CHAIRMAN (SHRIMATI JAYANTHI NATARAJAN): Now I shall put clause 39 to vote. The question is:

That clause 39 stand part of the Bill.

The motion was adopted.

Clause 39 was added to the Bill.

THE VICE-CHAIRMAN (SHRIMATI JAYANTHI NATARAJAN): Now we shall take up clause 40. There is one amendment, No. 6, by Shri Raghavji.

SHRI RAGHAVJI: Madam, I am not moving it.

THE VICE-CHAIRMAN (SHRIMATI JAYANTHI NATARAJAN): Now I shall put clause 40 to vote. The question is:

That clause 40 stand part of the Bill.

The motion was adopted.

Clause 40 was added to the Bill.

Clauses 41 and 42 were added to the Bill.

New Clause 42A

SHRI RAGHAVJI: Madam, I beg to move:

7. That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1996, as passed by the Lok Sabha, namely:—

'That at page 13, *after* clause 42, the following new clause be *inserted*, namely:—

"42A. In section 139A of the Income-tax Act, in sub-section I, Amendment of section 139 A clause (ii) and clause (iii) shall be omitted."'.

The question was put and the motion was negatived.

THE VICE-CHAIRMAN (SHRIMATI JAYANTHI NATARAJAN): Now we shall take up clause 43 for consideration. There is one amendment, No. 8, by Shri Raghavji. Are you moving it?

SHRI RAGHAVJI: Madam, I am not moving it.

THE VICE-CHAIRMAN (SHRIMATI JAYANTHI NATARAJAN): Now I shall put clause 43 to vote. The question is:

That clause 43 stand part of the Bill.

The motion was adopted.

Clause 43 was added to the Bill.

Clauses 44 to 52 were added to the Bill.

THE VICE-CHAIRMAN (SHRIMATI JAYANTHI NATARAJAN): Now we shall take up clause 53 for consideration. There is one amendment, No. 9, by Shri Raghavji. Are you moving it?

SHRI RAGHAVJI: Madam, I am not moving the amendment.

THE VICE-CHAIRMAN (SHRIMATI JAYANTHI NATARAJAN): Now I shall put clause 53 to vote. The question is:

That clause 53 stand part of the Bill.

The motion was adopted.

Clause 53 was added to the Bill.

Clause 54 was added to the Bill.

New Clause 54A

SHRI RAGHAVJI: Madam, I beg to move:

10. That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1996, as passed by the Lok Sabha, namely:—

'That at page 14, *after* Clause 54, the following new clause be *inserted*, namely:—

"54A. After section 234 C of the Income-tax Act, the following new section shall be inserted, namely:—

'234D. Notwithstanding anything contained anywhere in this Act, the Insertion of new Section 234 D. total amount of interest leviable under section 234 A, section 234 B and section 234C shall in no case exceed the amount of Income-tax.'."'.

The question was put and the motion was negatived.

Amendment of section 139A. Insertion of new Section 234D.

NEW CLAUSE 54 B

THE VICE-CHAIRMAN (SHRIMATI JAYANTHI NATARAJAN): There is one amendment by Shri Raghavji.

SHRI RAGHAVJI: Madam, it is a small amendment. I strongly press it. I move:

11. That the Rajya Sabha recommends to the Lok Sabha that the following

amendment be made in the Finance (No. 2) Bill, 1996, as passed by the Lok Sabha, namely:—

'That at page 14, *after* clause 54, the following new clause be *inserted* namely:—

Amendment of section 271 A.

"54B. In section 271 A of the Income-tax Act, for the words "a sum which shall not be less than two thousand rupees but which may extend to one hundred thousand rupees" the words "a sum which shall not be less than five hundred rupees for all the assessment years during which the default was found but which may extend to rupees five thousand" shall be substituted.".'.

The question was put and the motion was negatived.

NEW CLAUSE 54 C

THE VICE-CHAIRMAN (SHRIMATI JAYANTHI NATARAJAN): There is one amendment by Shri Ragavji.

SHRI RAGHAVJI: Madam, it is also about penalty provisions. I move:

12. That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1996, as passed by the Lok Sabha, namely:—

"That at page 14, *after* clause 54, the following new clause be *inserted,* namely:—

Amendment of section 271 B.

'54 C. In section 271B of the Income-tax Act, for the words "by way of penalty, a sum equal to one-half percent of the total sales, turnover or gross receipts, as the case may be, in business, or of the gross receipts in profession, in such previous year or years or a sum of one hundred thousand rupees, whichever is less." the words "by way of penalty, a sum which shall not be less than one thousand rupees but which shall not exceed rupees ten thousand:

Provided that in case of loss or net total income does not exceed rupees twenty-five thousand, no penalty shall be levied." shall be substituted.'.".

The question was put and the motion was negatived.

NEW CLAUSE 54 D

THE VICE-CHAIRMAN (SHRIMATI JAYANTHI NATARAJAN): There is one amendment by Shri Raghavji.

SHRI RAGHAVJI: Madam, I move:

13. That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1996, as passed by the Lok Sabha, namely:—

'That at page 14, *after* clause 54, the following new clause be *inserted,* namely:—

Amendment of Section 271 D.

"54 D In section 271 D of the Income-tax Act, in sub-section (1), for the words "penalty, a sum equal to the amount of the loan or deposit so taken or accepted" the words "penalty, a maximum amount of rupees ten thousand" shall be substituted.".'.

The question was put and the motion was negatived.

Clause 55 was added to the Bill.

THE VICE-CHAIRMAN (SHRIMATI JAYANTHI NATARAJAN): Now I take up new Clause 55 A.

This is an amendment by Shri Raghavji.

SHRI RAGHAVJI: Madam, I am not moving it.

THE VICE-CHAIRMAN: The question is:

The Clauses 56 to 90 stand part of the Bill.

The motion was adopted.

Clauses 56 to 90 were added to the Bill.

FIRST SCHEDULE

THE VICE-CHAIRMAN (SHRIMATI JAYANTHI NATARAJAN): In the First Schedule there are two amendments by Shri Raghavji.

SHRI RAGHAVJI: Madam, I have requested the Finance Minister to raise the income tax limit to Rs. 60,000. I move:

15. That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1996, as passed by the Lok Sabha, namely:—

'That at page 21, *for* sub-paragraph 1 of paragraph A of part I of the first schedule, the following be *substituted*, namely:—

"In the case of every individual or Hindu undivided family or association of persons or body of individual, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, not being a case to which Sub-Prargraph II of this Paragraph or any other Paragraph of this Part applies,—

Rates of income-tax

"1. Where the total income does not exceed Rs. 60,000	Nil
2. Where the total income exceeds Rs. 60,000 but does not exceeds Rs. 1,00,000	15% of the total income exceeds Rs. 60,000
3. Where the total income exceeds Rs. 1,00,000 but does not exceeds Rs. 1,50,000	Rupees 6,000 plus 25% of the amount by which the total income exceeds Rs. 1,00,000
4. Where the total income exceeds Rs. 1,50,000	Rs. 18,500 plus 35% of the amount by which total income exceeds Rs. 1,50,000.".'.

16. That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1996, as passed by the Lok Sabha, namely:—

'That at page 21, *for* paragraph C of part I of the first schedule, the following be *substituted*, namely:—

"In case of every firm,—

Rate of income-tax	
1. Where income does not exceeds Rs. 25,000/-	Nil
2. Where income exceeds Rs. 25,000/-	40% of the amount by which income exceeds Rs. 25,000.".'.

The First Schedule was added to the Bill.

The questions were put and the motions were negatived.

The Second Schedule, the Third Schedule, the Fourth Schedule and the Fifth Schedule were added to the Bill.

Clause 1, the Enacting Formula and the Title were added to the Bill.

SHRI P. CHIDAMBARAM: Madam, I beg to move.

"That the Bill be returned.

The question was put and the motion was adopted.

I THE BUDGET (UTTAR PRADESH), 1996-97

II THE UTTAR PRADESH APPROPRIATION (VOTE ON ACCOUNT) NO. 2 Bill, 1996.

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): Madam, I beg to move:

> "That the Bill to provide for the withdrawal of certain sums from and out of the Consolidated Fund of the States of Uttar Pradesh for the services of a part of the financial year 1996-97, as passed by the Lok Sabha, be taken into consideration."

This Bill arises out of a sum of Rs. 15867.28 crores voted by the Lok Sabha on the 12th September, 1996, and Rs. 5081.14 crores charged on the Consolidated Fund of the State of Uttar Pradesh as shown in the 'Vote-on-Account' pamphlet circulated along with the Budget papers on the 1st August, 1996. These amounts, inclusive of the amounts authorised for withdrawal under the Uttar Pradesh Appropriation (Vote-on-Account) Act, 1996, have been sought to enable the Government of Uttar Pradesh to meet its essential expenditure during the first nine months of the current financial year (April to December, 1996) pending approval of the whole year's Budget by the appropriate legislature.

The question was proposed.

श्री मूलचन्द मीणा (राजस्थान): उसभाध्यक्ष महोदया, वित्त मंत्री जी ने उत्तर प्रदेश का बजट इस सदन के सामने रखा है, मैं इसका समर्थन करने के लिए खड़ा हुआ हूं। मैं यह कहना चाहता हूं कि उत्तर प्रदेश एक ऐसा राज्य रहा है जिसके लिए सबसे अधिक बार संसद को बजट पास करना पड़ा है क्योंकि वहां की शांतिप्रिय जनता के बीच कुछ ऐसी शक्तियां काम करती रही हैं जिन्होंने उत्तर प्रदेश की शांति को अशांति में बदलने की कोशिश की है।

महोदया, अगर हम पिछले दिनों की घटनाओं की बात करें तो उत्तर प्रदेश में भारतीय जनता पार्टी का राज था और कल्याण सिंह जी चीफ-मिनिस्टर थे। उन्होंने इस देश की जनता को और इस देश के सर्वोच्च न्यायालय को झूठा आश्वासन देकर एक विशेष संप्रदाय के खिलाफ माहौल तैयार किया जिसका परिणाम यह हुआ कि वहां एक विवादास्पद धार्मिक स्थल को नुकसान पहुंचाया गया। वैसे उन्होंने यह आश्वासन दिया था कि हम उस